



Iowa Sales Tax Guide

This booklet is used by
Iowa Tax Specialists
in their classes

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IOWA BUSINESS CONTACTS AND RESOURCES

This is basic information about resources available to new and existing small businesses in Iowa. The Iowa Department of Economic Development is the best starting place for anyone interested in starting or expanding a business in Iowa. Contact that agency's Bureau of Small Business Development first. You will receive individualized guidance to all the resources and contacts which will benefit your endeavor. Contact any other agency listed below for assistance with issues which fall under the specific regulatory jurisdiction of that agency. If you cannot find satisfactory answers to your questions, call the office of the Iowa Citizen's Aide/Ombudsman toll-free at 888/426-6283.

Iowa Department of Economic Development

- Comprehensive assistance and informational materials for Iowa small business start-ups
- Financial assistance for small business start-ups and expansions
- Comprehensive business license information
- Minority- and female-owned small business assistance

Contacting IDIED

- Internet: www.iowalifechanging.com
- E-mail: info@iowalifechanging.com
- Mail: Bureau of Small Business Development, 200 East Grand, Des Moines IA 50309
- Call: 1.800.532.1216 in Iowa or 515.242.4700
- For assistance in bidding on federal government contracts, call the Iowa Procurement Outreach Center at 1.800.458.4465.

United States Small Business Administration

- Largest single financial backer of small businesses
- Provides financial, technical and management assistance to start, run and grow businesses
- Federal procurement, research and development, counseling and training, assistance for target groups, referrals to other resources, such as SCORE (Service Corps of Retired Executives) and Iowa Small Business Development Centers

Contacting the U.S. SBA

- Internet: www.sbaonline.sba.gov
- Call: 1.800.827.5722

Iowa Business Network

- The Internet resource tool of the Iowa Small Business Development Centers (SBDC)
- Helps new and existing business owners develop and grow their businesses
- Conducts research, counsels, and trains business people in management, financing, and operating small businesses
- 13 regional centers in Iowa
- Resources to start and grow a business and use technology

- Access a database on small business topics
- Listings of workshops, programs, events
- Links to other useful sites
- Sponsors of the Web site include the Small Business Administration, Iowa State University, MidAmerican Energy, and other helpful business organizations

Contacting the Iowa Business Network

- Internet: www.iabusnet.org

Service Corps of Retired Executives (SCORE)

- Counselors to America's Small Business
- Help with start-ups and business plans
- No-fee mentoring and counseling
- Low-cost workshops
- Locations throughout Iowa

Contacting SCORE

- Internet: www.score.org

LICENSES, PERMITS AND REGISTRATIONS REQUIRED

Iowa Department of Revenue (IDR)

- Tax permits for sales, use, motor vehicle fuel, hotel/motel, automobile rental, withholding
- Iowa tax information, publications and forms
- Register to withhold Iowa income tax and/or make estimated tax payments
- Classes about Iowa taxes

Find Out About These Tax Benefits for Small Businesses:

- Income tax deduction for hiring ex-offenders
- Income tax deduction for hiring persons with disabilities
- New jobs tax credit
- Assistive device tax credit
- Property rehabilitation tax credit
- Investment tax credit
- Franchise tax credit
- Research activities tax credit
- Seed capital tax credit
- Capital gains deduction for certain businesses

- Motor vehicle fuel tax credit
- Tax exemption for purchase of machinery and equipment used in agricultural production
- Cow-calf beef operation refund
- Any of more than 150 separate exemptions from sales tax provided by the Iowa Code

Contacting IDR

- Internet: www.state.ia.us/tax
- E-mail: idr@iowa.gov
- TaxFax: 1-800-572-3943
- Mail: Taxpayer Services, Iowa Department of Revenue, P.O. Box 10457, Des Moines IA 50306-0457
- Call
 - From the Des Moines calling area or out of state: 515.281.3114
 - From elsewhere in Iowa or from the Omaha or Rock Island-Moline calling areas: 1.800.367.3388

The Iowa Department of Revenue conducts hundreds of classes to thousands of taxpayers and business owners each year. Check the Web site for the latest class schedule or call 515.281.5722 to schedule a customized class for your business.

Federal Internal Revenue Service (IRS)

- Federal Employer Identification Number (FEIN): Obtain your FEIN online at www.irs.gov/businesses/small/article/0,,id=102767,00.html
- Federal tax information, forms and publications
Call: 1.800.829.3676
Internet: www.irs.gov
- Answers to your business questions
Call: 1.800.829.4933
- Presentations and workshops in Iowa
Call: 515.564.6837

Online Unemployment Insurance Tax System

Employers can now electronically file their quarterly Employer's Contribution & Payroll Report and pay their Unemployment Insurance contributions online.

<https://uits.iowaworkforce.org/iwduits/>

Iowa Workforce Development

Iowa Workforce Development (IWD)

- OSHA consultations
Call: 515.281.3606
- Unemployment insurance contributions:
Call: 515.281.5339
- Worker's compensation information:
Call: 515.281.5387
- Boiler, elevator and amusement ride inspection; licensing of private employment agencies and professional boxing and wrestling; and registration of construction contractors:
Call: 515.281.5387

Contacting IWD for general information

- Call: 1.800.JOB.IOWA (562.4692) or in Des Moines 281-5387
- Internet: www.iowaworkforce.org
new site for employers - www.iowaworks.org
- E-mail: iwd.customerservice@iwd.iowa.gov
- Mail: Iowa Workforce Development, 1000 East Grand Avenue, Des Moines IA 50319-0209

Iowa Secretary of State

Information for corporations, nonprofit corporations, limited partnerships, limited liability companies and state trademarks

Contacting Secretary of State

- Internet: www.sos.state.ia.us
- E-mail: sos@sos.state.ia.us
- Mail: Iowa Secretary of State, Lucas Building, 1st Floor, 321 E. 12th St., Des Moines, IA 50319
- Call: 515.281.5204

Iowa Department of Transportation (DOT)

- Motor vehicle dealership information and licensing
- Information for trucking businesses
- Information concerning vehicles subject to registration

Contacting DOT general information

- Internet:
 - Home page: www.dot.state.ia.us
 - Motor Vehicle Services:
www.dot.state.ia.us/mvd/ovs/index.htm
- Mail: Iowa Dept. of Transportation, Motor Vehicle Division, Park Fair Mall, 100 Euclid Avenue, Des Moines IA 50306
- Call: 515.239.1101 or in Iowa 1.800.532.1121

Iowa Department of Agriculture

- Regulatory information for food-related and animal-related businesses
- Information concerning weights and measures
- Information for commercial grain storage and grain sales businesses

Contacting the Department of Agriculture

- Internet: www.agriculture.state.ia.us
- Mail: Iowa Dept. of Agriculture, Wallace State Office Building, 502 E. 9th St., Des Moines, IA 50319
- Call: 515.281.5321

Iowa Department of Inspections and Appeals (DIA)

- Inspect and license food establishments, including restaurants, and grocery and convenience stores
- Inspect and license hotels and motels
- License social and charitable gambling activities, including bingo and raffles
- Certify targeted small businesses
- Inspect and license/certify long-term care facilities, and medical providers and suppliers

Contacting DIA:

- Internet: www.state.ia.us/government/dia/
- E-mail: webmaster@dia.state.ia.us
- Mail: Iowa Department of Inspections and Appeals, Lucas State Office Building, 321 East 12th Street, Des Moines, Iowa 50319-0083
- Telephone: (515) 281-7102
- Fax: (515) 242-6863

Iowa Department of Commerce

- Licensing for retail and wholesale sales of alcoholic liquor, wine and beer
Call: 515.281.7430
- Information concerning rates and services of certain electric, gas, phone and water utilities
Call: 515.281.5979
- Oversees “Relay Iowa,” which provides communication access for persons with hearing or speech impairments
Call: 515.281.5979
- Problem resolution and information concerning insurance for small businesses
Call: 515.281.5705

- Assistance to small businesses concerning the sale of stock
Call: 515.281.4441
- Licensing for the following professions: Certified Public Accountants; Accounting Practitioners; Architects; Engineers and Land Surveyors; Landscape Architects; Real Estate Brokers; Real Estate Salespersons; Real Estate Appraisers
Call: 515.281.7393
- Regulation of state chartered banks, finance companies, mortgage brokers and others in the business of delivering financial products and services; source of public inquiry from users of financial services
Call: 515.281.4014

Contacting Commerce for general information

- Internet: www.state.ia.us/government/com
- Mail: Iowa Department of Commerce, 1918 S.E. Hulsizer Avenue, Ankeny IA 50021

Iowa Department of Public Health

Licenses: athletic trainers, barbers and cosmetologists, chiropractors, podiatrists, optometrists, hearing aid dealers, speech pathologists and audiologists, morticians, massage and physical and occupational therapists, psychologists, respiratory care practitioners, social workers

Contacting Public Health

- Internet: www.idph.state.ia.us
- Mail: Lucas State Office Building, 321 E. 12th Street, Des Moines, IA 50319-0075
- Call: 515.281.7689

Iowa Department of Natural Resources

- Water and air quality regulatory information for manufacturers
- Information concerning sales of Household Hazardous Materials

Contacting DNR general information

- Internet: www.iowadnr.com
- Mail: Iowa Dept. of Natural Resources, Wallace State Office Building, 502 E. 9th Street, Des Moines, IA 50319
- Call: 515.281.5918

COUNTY RESOURCES

County Governments

- Local ordinances, licensing and zoning regulations
- Cigarette and liquor license applications
- Property tax information
- Building permits

Ask About These Tax Benefits for Small Businesses:

- Urban revitalization tax exemption
- Tax provision for purchase of computers
- Special tax provisions for purchase of industrial machinery and equipment
- Partial exemption of actual value added to industrial real estate, research-service facilities, warehouses and distribution centers
- Exemption for pollution control devices

Contacting county governments

See your local telephone directory for phone numbers and mailing addresses.

- Internet:
 - List of county Web sites: www.iowacounties.org

County Recorder

- Information for sole proprietorships and simple partnerships
- Certificates of Assumed Name (if doing business under a name other than your own)

County Treasurer

- Property tax information
- Vehicle registration

Contacting county treasurers

See your local telephone directory for phone numbers and mailing addresses.

- Internet: www.iowatreasurers.org

CITY RESOURCES

- Building permits
- Programs available for business expansion or new business or development projects
- Loans and grants
- Training programs

Contacting city governments

See your local telephone directory for phone numbers and mailing addresses.

- Internet:
 - List of city Web sites: www.iowaleague.org

OTHER FEDERAL RESOURCES

Federal Trade Commission

- Promote competition, protect consumers

Contacting the FTC

- Call: 202.326.2222
- Internet: www.ftc.gov/ftc/business.htm
- Mail: Federal Trade Commission, 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580

Federal Bureau of Alcohol, Tobacco & Firearms

- Manufacture or sales of firearms

Contacting the U.S. Bureau of Alcohol, Tobacco and Firearms

- Call: 515.284.4329
- Internet: www.atf.treas.gov
- E-mail: www.atf.gov/contact/index.htm

U.S. Department of Labor

- Federal labor laws

Contacting the U.S. Department of Labor

- Call: 515.284.4625
- Internet: www.dol.gov
- E-mail: www.dol.gov/dol/contact/contact-emailtopics.htm

U.S. Department of Commerce

- Economic development, exporting, tariffs

Contacting the U.S. Department of Commerce

- Call: 515.284.4422 (Iowa office)
- Internet: www.commerce.gov

PERSONAL RESOURCES

Your Community Bank or Credit Union

Your Attorney's Office

- Legal advice and representation

Your Accountant's Office

- Bookkeeping advice or service

Your Insurance Agent

- Loss and liability protection

A University or College Business Center Program

- Business plans
- General assistance



IOWA TAX INFORMATION AVAILABLE ONLINE AND BY FAX

WEB SITE
www.state.ia.us/tax

TAX-FAX
1-800-572-3943

General Information

Starting a business in Iowa:
Contacts and resources (78-579)
Sales and use tax information (78-539)
Services: Which ones are taxable? (78-524)
Exemption certificates:
How and when to use them (78-637)
Sales tax rate charts (79-106)
Do you have customers in other states? (78-548)
Computers: Is yours exempt? (78-575)
Cities and counties: Sales to and sales by (78-526)
Nonprofit entities: Sales to and sales by (78-595)
Discounts, rebates and coupons:
How to apply tax (78-628)
Consumer's use tax (78-535)

Local Option Information

"Regular" local option sales tax (78-601)
Current local option sales tax list by City (alpha by city) (79-901)
County List: Note effective dates (31-018)

Agricultural Information

Farmers guide to Iowa taxes (78-507)
Information for agribusinesses (78-636)

Information for specific business types

Auctioneers (78-554)
Auto repair and body shops (78-523)
Banks and financial institutions and their fees (78-574)
Barbers and cosmetologists (78-572)
Cities and counties (78-526)
Clinics: Medical devices and equipment (78-609)
Construction contractors (78-527)
Construction contracts and exempt entities
Construction contractor registration with Iowa Workforce Development
Dentists (78-567)
Food/Restaurants and grocery stores (78-516)
Fundraising: Games of skill or chance and raffles (78-506)
Landscaping and lawn care (78-627)
Manufacturers and processors (78-530)
Motor vehicle lease information (78-614)
Nonprofit organizations (78-595)
Petroleum: Environmental protection charge (78-544)
Printers and publishers: A list of supplies exempt from tax (78-570)
Solid waste collection and disposal (78-543)
Veterinarians (78-531)

Online Only! Check out:

Exemptions: A list of sales and use tax exemptions (79-120)
New local option sales tax jurisdictions
Intrastate Delivery Examples - Where a service or item is delivered is a key factor in charging local option sales tax!
Interstate Delivery Examples
Hotel/Motel Tax Jurisdictions Map, Questions and Answers
Security and detective services (78-917)
...and much, much more!

IOWA TAX QUESTIONS?

Call:

515/281-3114 locally or out-of-state
800-367-3388 elsewhere in Iowa,
Omaha, Rock Island, and Moline

E-Mail:

idr@iowa.gov

eLists

Sign up to receive Iowa
tax news free by e-mail at

www.state.ia.us/tax

**IOWA TAX
RESEARCH LIBRARY**
<http://itrl.state.ia.us>



PERMIT INFORMATION

State of Iowa
Department of Revenue
Retail Sales Tax Permit
1-04-644444

LASTNAME, FIRSTNAME
is entrusted to collect tax for the State of Iowa and to engage in and transact business as a retailer within this state at:

NAME OF BUSINESS
LOCATION ADDRESS
CITY STATE ZIPCODE

Mark R. Gehring
Director of Revenue

A sales tax permit is not a license to purchase items tax free. It is a permit to collect sales tax only.

Obtaining a Permit

Anyone making taxable sales in Iowa must obtain a sales tax permit. Selling without a permit is a serious misdemeanor. The permit is available at no charge. Register online at www.state.ia.us/tax or call our forms order number to receive an application form. Processing the form takes four to six weeks.

Effective Dates

Once issued, a sales tax permit is effective until it is canceled by the retailer or revoked by the Department.

Business Location

A permit must be obtained for each business location. A business owner who changes location in the same county

does not need a new permit. If, however, the location is in a different county, the owner must apply for a new permit. A new permit is not required when a mailing address changes; the permit holder should, however, notify the Department.

Changing Ownership

If the type of ownership changes, the sales tax permit must be canceled. Write the Department or use the change/cancel application online at www.state.ia.us/tax. For example, if ownership of a business changes from a sole proprietor to a partnership, the current permit must be canceled and application for a new permit must be made. The permit is not transferrable from one owner to another.

Temporary Businesses

The Department issues a nonpermit identification certificate free of charge to temporary businesses. Business people such as concessionaires and those who sell from trucks or roadside stands should obtain this type of permit. Call our Davenport office at 563/386-6484 x1.

TAX LIABILITY

Personal Liability

Certain corporate or associate officers and partners of a partnership are personally liable for paying sales and use taxes, interest, and penalty when the corporation, association or partnership fails to do so.

A person selling his or her business must file final tax returns and pay all taxes due. If the seller fails to pay the final tax due, the new owner must withhold a sufficient amount of the purchase price to pay any unpaid tax, interest and penalty. If the new owner intentionally fails to do this, he or she is personally liable for the tax.

Sales tax liability for all sales of tangible personal property is on the seller and purchaser. The liability shifts from the seller to the purchaser if the seller has accepted a valid exemption certificate.

Temporary Events

Sponsors of flea markets, craft shows, antique shows and other temporary events are liable for payment of sales tax, penalty and interest of the retailers selling at the event unless they verify that the exhibitors are licensed to collect and remit sales tax. Sponsors should obtain from each exhibitor a valid sales tax permit number or a statement that the sale is not subject to tax.

Exhibitors may obtain temporary concession permits if they are not in business regularly. Call our Davenport office at 563/386-6484 x1.

Businesses that have regular sales tax permits may remit the sales tax collected under their regular number and usual return.

Revoking a Permit

The Department may revoke the permit of a permit holder who is substantially delinquent in paying any tax, interest or penalty.

When a permit is revoked, the retailer may wait as long as 90 days before the permit can be restored or a new permit issued. Anyone knowingly making sales after a permit has been revoked and before it is restored may be found guilty of an aggravated misdemeanor.

A revoked permit will not be reinstated if the Department has received a certificate of noncompliance from the Child Support Recovery Unit if the permit holder is an individual requesting reinstatement.

Loss or Destruction

The Department will furnish a duplicate copy when an active permit is lost or destroyed.

Vending Machines and Other Coin-Operated Devices

An operator who places vending or other coin-operated machines in different locations needs only one permit. The one permit will apply to machines located in and out of Iowa.

FILING FREQUENCY

A retailer is assigned a filing frequency based on the estimated amount of sales tax to be collected.

If tax collections increase or decrease substantially over multiple filing periods, a change of filing frequency may be necessary. Retailers should contact the Department if they feel a more or less frequent filing frequency is required. Returns must be filed as usual until the filing frequency is changed.

Even though a retailer may not have taxable sales during a filing period, he or she must file a timely return.

If a due date falls on a Saturday, Sunday, or holiday, the taxpayer has until the following working day to remit the return and payment to the Department.

Iowa sales and retailer's use taxes are filed electronically, either online or by telephone, through a system called eFile & Pay. Payment by direct debit (ePay) can also be made in one easy step at the same time the return is filed. Paper returns are no longer provided, but payment by paper check is still an option for most taxpayers. More information is available on the department's Web site.

Sales Tax Filing Requirements

ANNUAL: Less than \$120 a year: One return, filed annually, is due at the end of the month following the calendar year.

QUARTERLY: Less than \$500 a month: Returns are filed quarterly. Each is due on the last day of the month following the calendar quarter.

MONTHLY: More than \$500 per month: Returns are filed monthly. The first two returns of the calendar quarter are filed with a deposit by the 20th of the following month. The deposit is either the actual tax collected or 1/3 of the tax that was paid in the previous quarter. At the end of each quarter, the retailer must file a quarterly reconciliation.

SEMI-MONTHLY: More than \$5,000 per month: Semi-monthly returns and deposits are filed for the 1st through the 15th (due the 25th day of the month) and 16th through the last day of the month (due the 10th day of the following month). A quarterly reconciliation is due for each quarter. Deposits should equal the actual amount of tax collected, an amount equal to not less than 1/6 of the amount of tax paid during the preceding quarter, or an amount equal to not less than 1/6 of the amount of tax paid during the same quarter of the previous year.

Below is a chart showing the break-down of filing frequencies:

	YEARLY	QUARTERLY	MONTHLY	SEMI-MONTHLY
ANNUAL	Less than \$120	Less than \$30		
QUARTERLY	\$120-\$6,000	Less than \$1,500	Less than \$500	
MONTHLY	\$6,000-\$60,000	More than \$1,500	More than \$500	
SEMI-MONTHLY	More than \$60,000	More than \$15,000	More than \$5,000	More than \$2,500

BOND REQUIREMENTS

The Department may require a bond of any permit holder. The Department generally requires a bond of a **new applicant** if:

1. The person applying of an active officer of the corporation has held a previous permit and has an unfavorable filing and remittance record for prior tax obligations, or
2. The person applying or an active officer of the corporation has held a previous permit and has experienced prior collection problems, or
3. The Department has knowledge that the applicant's financial status is such that he/she may be unable to remit the tax by the date due.

Existing permit holders may be required to post a bond under the following conditions:

1. If filing quarterly, a retailer incurs two or more

delinquencies in remitting tax during a 24-month period.

2. If filing monthly, a retailer incurs four or more delinquencies during a 24-month period.
3. If filing semi-monthly, a retailer incurs eight or more delinquencies during a 24-month period.
4. If the retailer has made recurring tax payments with unhonored checks.

When the Department requires a bond, the minimum amount is determined as follows:

Quarterly Filers - The bond equals the sales tax liability typically filed in three filing quarters.

Monthly Filers - The bond equals five months of sales tax liability.

Semi-Monthly Filers - The bond equals three months of sales tax liability.

Annual Filer - The bond equals one year of tax liability but no less than \$100.

The Department may require a larger amount if necessary. No bond is less than \$100. The Department accepts cash, cashier's checks, certificates of deposit, and surety bonds; personal checks are not accepted. Failure to post a bond when required may result in the revocation of an existing permit or denial of a permit application.

www.state.ia.us/tax

Our "Businesses" page has links to online services, forms and information.

OUT-OF-STATE RETAILERS

A retailer with a physical presence (nexus) in Iowa who makes deliveries into Iowa must collect Iowa sales tax. If these transactions occur in a local option jurisdiction, local option sales tax also applies.

Nexus includes maintaining a warehouse in a local option sales tax jurisdiction, having an agent in a taxing jurisdiction either permanently or temporarily, installing property, performing construction activities or service work in a jurisdiction or regularly delivering products into a jurisdiction.

Iowa Tax Information for Businesses

Sales Tax Changes

On July 1, the state rate for Iowa sales tax will increase from 5 percent to 6 percent. The School Local Option Sales Tax (SILO) will no longer exist as a separate tax. [Learn more.](#)

Iowa Smokefree Air Act

To learn more about your responsibilities, visit the [Iowa Department of Public Health Web site](#) or call them at 1-888-944-2247.

eLists: [Sign up or unsubscribe](#) to receive Iowa tax news by e-mail.

eServices

Apply for a permit: sales, use, employee withholding

Change/cancel/reinstate business tax registration: When requesting a change in filing frequency, please select an effective date that is the first day of the future calendar quarter.

Special events application for a

[Starting a Business in Iowa?](#)

[Out-of-State Businesses](#)

[Streamlined Sales Tax Project](#)

[Sales Tax Holiday](#)

[Local Option Taxes](#)

[Frequently-Asked Questions](#)

[Services & Letters](#)

Apply online!!



Iowa Department of Revenue
www.state.ia.us/tax

Iowa Business Tax Registration

Go to www.state.ia.us/tax

PLEASE TYPE OR PRINT LEGIBLY

If you are applying for more than one type of tax permit and the mailing addresses or responsible parties are different, attach a separate sheet listing the appropriate information. It may take up to six weeks before you receive your permit; however, you are allowed to conduct business as soon as you submit your application.

I. PHYSICAL LOCATION NAME/ADDRESS

Federal Employer ID Number: _____
(see info section 1)
Social Security Number: _____
Legal Name: _____
Trade Name: _____
Street Address (Not PO Box): _____
City: _____ State: _____ Zip+4: _____
County Name: _____ County Number: _____
Phone 1: _____ Ext. _____
Phone 2: _____ Ext. _____
Telephone Number Required

III. PREVIOUS OWNER

If you are purchasing this business, provide previous owner's name: _____

V. RETAILER REGISTRATION

Calendar quarters in which business is operated:

- ☐ Entire year ☐ Jan.-March ☐ April-June
☐ July-Sept. ☐ Oct.-Dec.

Type of products or services to be sold: _____

☐ Check this box if your business is a **hotel, motel, inn, or bed and breakfast.**

☐ SALES TAX PERMIT (no fee)

File through eFile & Pay. See Web site for more information.

*Starting date for selling at retail: _____
(MM/DD/YY)

How much sales tax do you expect to collect?

- ☐ less than \$120 tax/year (File Annually)
☐ less than \$500 tax/month (File Quarterly)
☐ more than \$500 tax/month (File Monthly)
☐ more than \$5,000 tax/month (electronic payment required)
(File Semi-Monthly)

If you have more than one location, do you want to file consolidated returns? _____

Number of locations to file consolidated: _____

See "INFORMATION" section on consolidated returns.

☐ CONSUMER'S USE TAX (no fee):

This is only for those who purchase taxable goods or services that you consume in Iowa and do not pay sales tax when the purchases are made. File through eFile & Pay. See Web site for more information.

*Starting date for making purchases: _____
(MM/DD/YY)

How much consumer's use tax do you think you will owe?

- ☐ less than \$120 tax/year (File Annually)
☐ more than \$120 tax/year (File Quarterly)

II. MAILING NAME/ADDRESS

If your mailing address is different than the location of your business, complete this section.

Name: _____
Mailing Address: _____
City: _____ State: _____ Zip+4: _____
Phone 1: _____ Ext. _____
Phone 2: _____ Ext. _____

IV. TYPE OF OWNERSHIP (MUST check one)

- ☐ Sole Proprietor ☐ Partnership ☐ Corporation
☐ Association ☐ Government ☐ Limited Liability Co

Date Established: _____

State in which Established: _____

☐ OUT-OF-STATE RETAILER'S USE TAX PERMIT (no fee):

Retailers making taxable sales in Iowa from an out-of-state location must register to collect retailer's use tax. File through eFile & Pay. See Web site for more information.

*Starting date for selling at retail in Iowa: _____
(MM/DD/YY)

How much tax do you expect to collect?

- ☐ less than \$120 tax/year (File Annually)
☐ less than \$1,500 tax/month (File Quarterly)
☐ more than \$1,500 tax/month (File Monthly)

☐ MOTOR VEHICLE RENTAL TAX (no fee)

If you rent motor vehicles to customers, you must collect this tax. Motor vehicle rental tax permit is always filed quarterly.

*Starting date for renting automobiles in Iowa: _____
(MM/DD/YY)

☐ HOUSEHOLD HAZARDOUS MATERIAL PERMIT:

See "INFORMATION" section for explanation of HHM permits.

*Starting date for selling hazardous material: _____
(MM/DD/YY)

- ☐ Regular (\$25 fee) ☐ Special (\$125 fee or more)

VI. WITHHOLDING TAX REGISTRATION (no fee)

Complete this section if you have employees. File through eFile & Pay. See Web site for more information.

*Starting date for withholding Iowa income tax: _____
(MM/DD/YY)

How much Iowa income tax do you think you will be withholding?

Select a filing status:

- ☐ less than \$500 tax/month (File Quarterly)
☐ more than \$500 tax/month (File Monthly)
☐ more than \$10,000 tax/month (File Semi-Monthly)
(electronic payment required)

See "INFORMATION" section for definition of withholding agent.

Withholding Agent's Name: _____

Social Security Number: _____

Address: _____

City, State, Zip: _____ 78-005 (7/12/07)

VII. CORPORATION/PARTNERSHIP REGISTRATION

Complete this section only if you are registering to file corporation or partnership income tax returns.

***Starting date** for doing business in Iowa: _____
(MM/DD/YY)

If corporation, check type:

- ☐ Regular ☐ S Corp ☐ UBIT
☐ Coop ☐ IC-DISC ☐ FSC

If partnership, check here: ☐

If Limited Liability Company (LLC), check here: ☐

Month in which the tax year ends: _____

Primary business activity: _____

VIII. OWNERS, GENERAL PARTNERS, CORPORATE OFFICERS AND RESPONSIBLE PARTIES

Print the names and Social Security Numbers of all. Attach additional sheets if necessary. If partnership, you must include two names and Social Security Numbers.

Name: _____

SSN: _____

Name: _____

SSN: _____

Name: _____

SSN: _____

Name: _____

SSN: _____

IX. SIGNATURE

This application must be signed by the owner, one of the partners or one of the corporate officers listed above. A preparer's signature is not acceptable unless he/she is one of the owners or corporate officers.

Signature: _____

Print Name Here: _____

Social Security Number: _____

Date: _____

INCOMPLETE APPLICATIONS WILL DELAY PROCESSING.
Returns filed late are subject to penalties and interest.

Multiple delinquent filings can result in revocation of sales tax permit(s) and assessment of substantial bonds.

eFile & Pay: File and pay your Iowa withholding, sales, consumer's use, retailer's use, corporate estimates, and motor fuel taxes through eFile & Pay. Businesses that prepare tax returns for clients may want to register as "bulk filers." More information is available on our Web site at www.state.ia.us/tax

FOR OFFICE USE ONLY

COUNTY: _____

PERMIT NUMBER

FILER TYPE

BUS CLASS: _____ OWNER TYPE: _____

HOTEL/MOTEL: _____

INFORMATION

To apply for cigarette or tobacco licenses or any other permit not listed on this form, contact Taxpayer Services. Your application may be denied if you have any outstanding tax liability.

Section I: Location Name/Address

Federal Employer Identification Number: You must provide a FEIN if the owner of the business is a partnership, corporation, or government entity. If you are in the process of applying for a FEIN, write "applied for" on the FEIN line.

Section IV: Type of Ownership

Sole proprietors who plan to hire employees will need a FEIN.

Section V: Retailer Registration

Consolidated Returns: Except for Automobile Rental and Hotel/Motel Tax permits, consolidated sales tax returns may be filed by a retailer who has more than one sales tax permit. Attach a list of businesses, their locations, and Iowa sales tax permit numbers. If you are adding a new location to a current consolidated account, include your current consolidated number.

Electronic Payment: Anyone may choose to remit tax electronically. Semi-monthly filers are required to pay electronically.

Household Hazardous Material Permit

This permit must be obtained for each location selling household hazardous materials on a retail basis. Manufacturers and distributors that have independent agents selling door-to-door may purchase one permit fee of \$25 for the first \$3 million in sales of these materials. An additional \$100 fee is charged for each subsequent increment of \$3 million in sales. Fees are not prorated or refunded and must be renewed annually on July 1.

The most common household hazardous materials sold as defined by Iowa Code are motor oil and filters, fuels additives, degreasers, waxes, polishes, solvents, and stain removers with a petroleum base, petroleum-based fertilizers, and pesticides. It does not include laundry detergents, soaps, dishwashing compounds, chlorine bleach, personal care products, cosmetics and medications. For questions or a complete list, call 1-515-281-8941.

Section VI: Withholding Tax – Withholding Agent

A withholding agent is a person who has the authority to make wage payments or delegate the authority. It does not matter if he or she does the actual work of keeping records, preparing returns or writing checks.

A withholding agent is personally, individually and corporately liable to the State of Iowa for withholding and paying any money required to be withheld and paid. If a withholding agent fails to withhold and pay the required amount, that amount may be assessed against the withholding agent. A payroll service is not a withholding agent.

Mailing Address/Fax Number

Registration Services, Iowa Department of Revenue, P.O. Box 10465, Des Moines IA 50306-0465, or fax to 515/281-3906.

FOR ASSISTANCE...

Web site: www.state.ia.us/tax

Phone: 515/281-3114 (local and out of state)

or 1-800-367-3388 (Iowa, Omaha and Rock Island/Moline)

E-mail: idr@iowa.gov

IOWA COUNTIES AND COUNTY NUMBERS

01-ADAIR	26-DAVIS	51-JEFFERSON	76-POCAHONTAS
02-ADAMS	27-DECATUR	52-JOHNSON	77-POLK
03-ALLAMAKEE	28-DELAWARE	53-JONES	78-POTTAWATTAMIE
04-APPANOOSE	29-DES MOINES	54-KEOKUK	79-POWESHIEK
05-AUDUBON	30-DICKINSON	55-KOSSUTH	80-RINGGOLD
06-BENTON	31-DUBUQUE	56-LEE	81-SAC
07-BLACK HAWK	32-EMMETT	57-LINN	82-SCOTT
08-BOONE	33-FAYETTE	58-LOUISA	83-SHELBY
09-BREMER	34-FLOYD	59-LUCAS	84-SIOUX
10-BUCHANAN	35-FRANKLIN	60-LYON	85-STORY
11-BUENA VISTA	36-FREMONT	61-MADISON	86-TAMA
12-BUTLER	37-GREENE	62-MAHASKA	87-TAYLOR
13-CALHOUN	38-GRUNDY	63-MARION	88-UNION
14-CARROLL	39-GUTHRIE	64-MARSHALL	89-VAN BUREN
15-CASS	40-HAMILTON	65-MILLS	90-WAPELLO
16-CEDAR	41-HANCOCK	66-MITCHELL	91-WARREN
17-CERRO GORDO	42-HARDIN	67-MONONA	92-WASHINGTON
18-CHEROKEE	43-HARRISON	68-MONROE	93-WAYNE
19-CHICKASAW	44-HENRY	69-MONTGOMERY	94-WEBSTER
20-CLARKE	45-HOWARD	70-MUSCATINE	95-WINNEBAGO
21-CLAY	46-HUMBOLDT	71-O'BRIEN	96-WINNESHIEK
22-CLAYTON	47-IDA	72-OSCEOLA	97-WOODBURY
23-CLINTON	48-IOWA	73-PAGE	98-WORTH
24-CRAWFORD	49-JACKSON	74-PALO ALTO	99-WRIGHT
25-DALLAS	50-JASPER	75-PLYMOUTH	

GENERAL INFORMATION

Tax Rates

The state sales tax rate and the use tax rate are the same. Currently, the rates are 6 percent.

In addition, local option sales tax may apply to part or all of a business' sales.

Purchase Price

"Purchase price" is the total amount valued in money, whether or not paid in money or otherwise minus any cash discounts and trade-in allowances.

Refunds

A refund can be made only to the person who actually paid the tax, which in most cases is the retailer's customer. However, a retailer can make a claim for the customer if the retailer can show proof that he or she is acting as an agent for the customer or that the tax was returned or refunded to the customer.

The Department may approve refunds of erroneously paid sales or use tax if a claim is filed within three years after the tax payment was due or within one year after the tax payment was made, whichever time is later.

Nexus

"Nexus" means to establish a connection with another state. Delivery determines which state's tax laws apply, and nexus determines who is responsible to comply with those tax laws. If you establish nexus with another state, you are legally responsible to comply with that state's tax laws. Nexus normally requires a physical presence in that state.

Some examples of nexus: a location in the state, including temporary locations such as a booth at a craft sale; delivery using your own or company vehicle; repair people working in the state; sales people operating in the state; providing on-site training or installing new equipment.

Discounts, Rebates, Coupons

Any *cash discount* allowed by a retailer and taken on taxable sales is a proper deduction when collecting and reporting tax.

Rebates are not discounts and cannot be used to reduce the gross receipts.

Manufacturer coupons are not discounts and tax is due on full retail price. If the coupon is issued by the retailer, this type of coupon is a discount.

Coupon Books, Gift Certificates

The sales of coupon books and gift certificates are not subject to tax. Tax is due at the time the coupon/certificate is redeemed by the customer.

Trade-Ins

Trade-ins may reduce the taxable price of the transaction when:

- the tangible personal property is traded toward the purchase price of other tangible personal property and
- the trade-in is the type of item that is sold in the retailer's regular course of business and
- the trade-in is to be ultimately sold at retail.

WHAT IS TAXABLE AND WHAT IS NOT

Sales Tax

All sales of *tangible personal property* in Iowa – other than for processing or resale – are subject to sales tax unless exempted by state law. Sales of *services* are exempt from Iowa sales tax unless taxed by state law.

The retailer must add the tax to the price of the goods or services and collect the tax from the purchaser. The retailer cannot in any way indicate that the sales tax is being "absorbed." A retailer may, however, include the tax in the price, which is typically done when selling alcoholic beverages and admissions to movie theaters.

When this happens, the retailer must post a notice or make a statement on the invoice that the purchase price includes the state sales tax.

Sales tax is applied and due when taxable services are *rendered, furnished or performed* or when taxable goods are *delivered*, not when payment is received from the customer.

The Department makes every attempt to keep this list current. However, please consider the following a partial listing and non-inclusive. If you need assistance in determining whether or not a service is taxable, please contact our tax specialists by e-mail at idr@iowa.gov or telephone at 1-800-367-3388.

TAXABLE SERVICES

- aircraft lease or rental, 60 days or less
- alteration and garment repair
- armored car services
- bank and financial institution service charges
- barber and beauty services
- battery, tire, and allied services
- boat repair
- cable/pay television fees
- camera repair
- campgrounds
- carpentry
- carpet and upholstery cleaning and repair
- communication services; excluding Internet access fees
- dance school and dance studio
- dating services
- demolition
- drain cleaning; unplugging toilets, sinks and sewers
- dry cleaning, pressing, dyeing and laundering
- electrical and electronic repair and installation
- employment and executive search agencies
- excavating and grading
- exterminators
- farm implement repair of all kinds
- flying service and instruction
- furniture repair and cleaning
- fur storage and repair
- garbage collection and disposal, nonresidential commercial only
- golf and country clubs and all commercial recreation fees, dues and charges
- gun repair
- house/building moving
- household appliance, television and radio repair
- investment counseling
- janitorial and building maintenance or cleaning; non-residential only
- jewelry and watch repair
- landscaping, lawn care, and tree trimming and removal
- limousine, including driver
- machine operator fees
- machine repair of all kinds
- massage; unless performed by a licensed
- massage therapist
- mini-storage
- motor repair
- motor vehicle, recreational vehicle and recreational boat rental; when rented without a driver or operator
- motorcycle, scooter and bicycle repair
- oilers and lubricators on vehicles and machines
- office and business machine repair
- painting, papering and interior decorating
- parking facilities
- pet grooming
- pipe fitting
- plumbing, including drain cleaning and unplugging toilets, sinks and sewers
- reflexology
- roof, shingle and glass repair
- security and detective services
- sewage services, nonresidential commercial only
- sewing and stitching
- shoe repair and shoeshine
- sign construction and installation
- storage warehouse or lockers of raw agricultural products
- storage of household goods
- swimming pool cleaning and maintenance
- tanning beds or tanning salons
- taxidermy
- telephone answering service and telephone services
- test laboratories, except tests on humans and animals
- tin and sheet metal repair
- tree trimming and removal
- turkish baths and reducing salons
- vehicle repair
- vehicle wash and wax
- water conditioning and softening
- weighing
- welding
- well drilling; repair only
- wood preparation (i.e. stripping, cleaning, sealing)
- wrapping, packing and packaging of merchandise other than processed meat, fish, fowl and vegetables
- wrecker and towing

The prior services are taxable except when:

- Performed on or connected with new construction, reconstruction, alteration, expansion, or remodeling of real property
- Utilized in the processing of tangible personal property for use in taxable retail sales or services
- Performed on tangible personal property for delivery into interstate commerce
- Performed or furnished for an employer
- Sold to exempt entities
- Purchased for resale
- Qualifies as a casual sale

The following are considered sales of tangible personal property and are taxable: engraving, equipment and tangible personal property rental; optional warranty contracts; photography; prepaid telephone cards; printing and binding; recapping and retreading tires; retouching photographs; vulcanizing

TAXABLE SALES AND SERVICES

Accommodations/Room Rental

Taxable accommodations include rooms, apartments, or sleeping quarters in any hotel, motel, inn, public lodging house, rooming house, mobile home, tourist court, bed and breakfast or in any place where sleeping accommodations are rented to transient guests. The renting of all rooms is exempt from the tax if rented by the same person for a period of more than 31 consecutive days. The renter must contract to rent for a single period of 31 days or more. The renter may not accumulate these 31 days by contracting for two or more rental transactions.

The Iowa hotel/motel tax adopted by some jurisdictions is in addition to the state excise tax of 5 percent. A list of hotel/motel jurisdictions is available online in the Businesses/Local Option Taxes category. The list is updated January 1 and July 1 of each year.

Prior to 7-1-05, the rental of rooms was exempt from local option tax if they were subject to the hotel/motel tax. On or after 7-1-05, lodging is no longer subject to local option tax, whether or not the hotel/motel tax is imposed.

Amusement/Tickets or Admissions

Tickets or admissions to places of amusement, fairs, and athletic events, **except** those of elementary and secondary schools, are taxable. Sales by state and county fairs are exempt.

Gross receipts from fees charged for participation in any game or other form of amusement are taxable. Entry fees are not subject to tax if the admission charge is subject to tax.

Sales from the operation of all forms of amusement devices and games of skill, games of chance, raffles, and bingo games, and commercial amusement enterprises are taxable. A state gambling license may also be required and can be obtained by calling the Iowa Department of Inspections and Appeals at 515-281-6848.

Gross receipts from musical devices, weighing machines, shooting galleries, billiard and pool tables, bowling alleys, pinball machines, slot-operated devices, vending machines of all types and devices or systems where prizes are awarded are taxable.

Gross receipts from the operation of any card game tournament are subject to Iowa tax.

Athletic Fees/Facilities

Private club fees paid for the privilege of participating in athletic sports, fitness centers, or commercial recreation are taxable. This generally includes any special assessments.

Fees paid to cities and counties for the privilege of participating in any athletic sport are taxable.

Automatic Data Processing

The sale of canned software is subject to tax. The sale of custom software is exempt from tax. See “Computers: Is yours exempt?” (78-575) online in the Publications/Sales Tax category.

Boat Sales

The sale of boats is subject to Iowa sales or use tax if delivery is taken in Iowa. If sold by an individual, the county will collect the tax upon registration. The purchase of a boat does not qualify for exemption as a “casual sale.”

Communication Service

The gross receipts from the following are taxable:

- The sale of *intrastate* communication (The sale of *interstate* communication is exempt from tax.)
- Prepaid telephone calling cards and prepaid authorization numbers
- Intrastate fax services
- Services of transmitting messages, night letters, day letters and all other messages of similar nature
- Sales from coin-operated telephones
- Telegrams and similar charges
- Charges for directory assistance if the service is intrastate in nature

Conditional Sales / Installment Sales

A conditional sales contract allows the purchaser to use the item purchased, but title to the property doesn't pass to the buyer until a condition has been met – usually full payment of the purchase price. Thus, an installment sale is a conditional sales contract. Sales tax is due on the full contract price at the time the purchaser takes delivery of the property, except interest and finance charges when separately stated and reasonable in amount. No further tax is due on the periodic payments. Once the final payment has been made on an installment contract, the title to that merchandise passes to the buyer.

Construction Contractors

Contractors, subcontractors, builders, and owners are consumers of building materials, supplies and equipment they use in performing construction contracts. Tax applies to the purchase of these items by the construction contractors. Contractors who are also retailers are subject to other statutory provisions.

Certain machinery and equipment which remains tangible personal property after installation that is sold to contractors can be purchased for resale.

The following are exempt from local option tax when purchased and used by construction contractors: Self-propelled building equipment, pile drivers, motorized scaffolding, or attachments customarily drawn or attached

to them, including auxiliary attachments which improve their performance, safety, operation, or efficiency and including replacement parts; these must be used directly and primarily by contractors, subcontractors and builders for new construction, reconstruction, alterations, expansion or remodeling of real property or structures.

For more information, see our online publication for construction contractors (78-527) in the Publications/Sales Tax category.

Designated exempt entities awarding construction contracts on or after January 1, 2003, may issue special exemption certificates to contractors and subcontractors, allowing them to purchase, or withdraw from inventory, materials for the contract free from sales tax. For more information, see “Designated Exempt Entity Registration of Construction Contracts” on our Web site in the Local Government category.

Discounts, Rebates and Coupons

Any *cash discount* allowed by a retailer and taken on taxable sales is a proper deduction when collecting and reporting tax. If a coupon is issued by the retailer it is handled the same as a cash discount.

Rebates are not discounts and cannot be used to reduce the taxable price.

Manufacturer coupons are not discounts, and tax is due on the full retail price.

Finance Charges

Finance charges included in the selling price as a condition of sale are taxable. Interest or other types of charges that result from selling on credit or under installment contracts are not subject to tax if separately stated and reasonable in amount.

Florists

Orders taken by an Iowa florist and telephoned to a second florist in Iowa are subject to tax. The “sending florist” is responsible for collecting the tax.

Food

The following general classifications of products are **subject to tax**.

- Alcoholic beverages
- Candy, candy-coated items, and candy products, and gum unless they contain flour
- Certain beverages, including those with 50 percent or less fruit or vegetable juice
- Sweetened naturally or artificially sweetened water
- Dietary supplements and vitamins and minerals
- Seeds and plants used to produce food if the primary user/consumer of the produce is the buyer
- “Prepared food”:
 - Food sold in a heated state or heated by the seller or
 - Two or more food ingredients mixed or combined by the seller for sale as a single item or
 - Food sold with eating utensils provided by the seller, including plates, knives, forks, spoons, glasses, cups, napkins, or straws.
 - Food sales from a delicatessen of prepared foods by a grocery store
 - Food, food products, and drinks on a catered basis

See the department’s Food Booklet for details.

Gambling

The gross receipts of ALL social gambling activities conducted in Iowa are subject to the sales tax and local option sales tax (if any).

The exceptions are (1) the proceeds of activities conducted by county or city governments and (2) for receipts from raffles held at agricultural fairs and (3) for receipts from gambling activities conducted on Indian reservations in Iowa.

For more information see “Gambling / Fundraising: Games of skill or chance and raffles” (78-506) online in the Publications/Sales Tax category.

If needed, a state gambling license may be requested by calling the Iowa Department of Inspections and Appeals at 515-281-6848.

Gifts by Retailer

If a retailer purchases tangible personal property exempt from tax for the purpose of resale and later gives it away or donates it, the retailer pays sales tax on the purchase price of the item under “goods consumed” on the sales tax quarterly return.

Gratuities

Gratuities which are mandatory charges and automatically added to the bill are subject to tax.

Internet Sales

Internet sales of taxable goods delivered in Iowa are subject to tax.

Internet sales shipped to another state are not subject to Iowa tax.

Items delivered to the purchaser electronically or digitally are exempt from tax.

Layaway Sales

Layaway sales are subject to sales tax. Tax is reported on those sales during the period in which delivery of the layaway occurs, usually after the final payment has been made.

Lease and Rental

Taxable:

- Equipment and tangible personal property
- Receipts from the rental of certain motor vehicles subject to registration with a gross weight of 13 tons or less when the lease or rental contract is for a period of 60 days or less.
- Recreational vehicles

Optional Warranty Contracts

Gross receipts from the sale of optional service or warranty contracts which furnish labor and materials are taxable. Residential warranty contracts are not taxable. Certain computer software maintenance contracts are partially taxable.

Rent to Own

Sales tax is due on rent-to-own payments in the period in which the payment is due.

Snowmobiles and Motorboats

Snowmobiles and motorboats are not vehicles subject to registration. Their purchases are subject to sales tax and any applicable local option tax if purchased in Iowa. If purchased out of state for use in Iowa, use tax must be paid at the rate of 6 percent. Watercraft are not exempt from tax under the casual sale rule.

Utilities

Residential energy exemption

The state sales tax was eliminated on the sale of residential energy; however, local option tax is still imposed on these sales.

Sewage / solid waste

Sewage services and solid waste collection and disposal services billed to nonresidential commercial operations are taxable.

A nonresidential commercial operation is any industrial, commercial, agricultural or mining operation. These services are taxable to hotels and motels, restaurants, construction contractors, financial institutions, civic/charitable groups, churches, professional firms, skilled trades, insurance and realty businesses, day care centers, counseling/referral services, personal services such as beauticians, printing, storage, pest control, custodial services, landscapers, etc. Apartment complexes, mobile home parks, or single or multifamily dwellings are exempt.

The disposal charge or tipping fee imposed by a solid waste collection or disposal facility is, under certain circumstances, subject to sales tax. Additional information is online in the Publications/Sales Tax category. See “Solid waste collection and disposal” (78-543).

Tax is collected from both profit-making and nonprofit receivers of the service. The exception is nonprofit entities exempt by law from paying sales tax such as federal, state, county, city governments and non-profit schools. Both private and public service providers must collect the tax.

Vending Machines and

Other Coin-Operated Devices

Candy, candy-coated items, candy products, and certain beverages are taxable when sold through vending machines.

An operator who places vending or other coin-operated machines in different locations needs only one permit. This could be a sales tax permit for in-state retailers or a retailer’s use tax permit for out-of-state retailers. The Iowa state sales tax and local option tax, if applicable at the location of the machine, are included in the selling price of taxable items sold through vending machines.

CONSTRUCTION LABOR: IS IT TAXABLE?

Certain “enumerated” (taxable) services are commonly performed with construction contracts or with the repair or maintenance of real estate.

When these services are performed on or connected with new construction, reconstruction, alteration, expansion or remodeling of buildings or structures, they are exempt from sales tax.

When these services are a repair job, sales tax must be charged.

Repair or new construction?

The distinction between (1) repair and (2) new construction, reconstruction, alteration, expansion and remodeling activities can be difficult. The intent of the parties and the scope of the project determines whether certain services are taxable. When in doubt, a construction contract should be treated as being a taxable repair rather than a nontaxable reconstruction. If it is later determined that reconstruction rather than repair was the purpose of the contract, the purchaser may file for a refund of tax paid.

Repair

“Repair” is synonymous with mend, restore, maintain, replace and service. A repair constitutes the restoration of an original existing structure that has been damaged.

Repair work that is not a construction activity is subject to sales or use tax. **Examples of taxable repair situations include:**

- Replacement or repair of broken or defective glass
- Replacement or repair of individual or damaged roof shingles
- Replacement or repair of a defective garage door or garage door opener
- Replacement or repair of a defective kitchen cabinet
- Replacement or repair of a defective tub, shower or faucet
- Replacement or repair of a defective water heater, furnace or central air conditioning compressor
- Restoration of original wiring in a house or building

New construction, reconstruction, alteration, expansion, remodeling

This exemption applies to real property and structures only. It does not apply to tangible personal property. The following are examples of new construction, reconstruction, alteration, expansion and remodeling activities. **In these examples, the contractor is responsible for paying tax to the supplier on materials; however, the contractor does not charge tax on his/her services and materials.**

- The building of a garage or the adding of a garage to an existing building is new construction.
- Adding a redwood deck to an existing structure is new construction.
- Replacing a complete roof on an existing structure is reconstruction.
- Adding a new room to an existing building is new construction.
- Adding a new room by building interior walls is alteration.
- Replacing kitchen cabinets that are not defective is an alteration or remodeling.
- Paneling existing walls is an alteration or remodeling.
- Laying a new floor over an existing floor is an alteration or remodeling.
- Rebuilding a structure damaged by flood, fire or other uncontrollable disaster or casualty is reconstruction.
- Building a new wing to an existing building is an expansion.
- Rearranging the interior structure of a building is remodeling.
- Installing a modular or mobile home on a foundation is considered new construction.
- Replacing an entire water heater, water softener, furnace or central air conditioning unit that is not defective is reconstruction or remodeling.
- Sign installation and well-drilling services are exempt when performed in connection with new construction.

CONSUMER'S USE TAX

Iowa's sales tax is complemented by a use tax. Both the sales tax and the consumer's use tax are applied to the receipts from sales of tangible personal property and taxable services. In Iowa, the rate of the consumer's use tax is always equal to the state sales tax rate. The difference between the two taxes is the circumstances under which the taxes are imposed.

Sales tax is applied when...

Sales tax is imposed on the gross receipts resulting from a sales transaction of taxable services or tangible personal property *at the time* the sale takes place. The seller of the goods or services is responsible for collecting, reporting and remitting the sales tax. The tax is imposed when the service is rendered, furnished or performed in Iowa or when the tangible personal property is delivered in Iowa.

Consumer's use tax is applied when...

Consumer's use tax, on the other hand, is imposed *after* the sale takes place and only on goods and services that have not yet been subjected to sales tax. In most cases, these are purchases made from an out-of-state supplier not collecting Iowa tax and that are for use in Iowa. Ordinarily, the retailer is responsible for collection of the tax; however, if the retailer is not required by law to collect the tax or the Iowa retailer fails to collect the tax, the purchaser is then responsible for consumer's use tax. The purchaser must pay the use tax when ownership or control of the purchase is taken.

Use tax applies to, but is not limited to, purchases made tax free through mail-order catalogs, television shopping programs, the Internet, toll-free 800 numbers; magazine subscriptions; and untaxed purchases made while in another state and shipped or otherwise brought into Iowa. Anyone – individuals and businesses – who makes these types of purchases is required to pay consumer's use tax to the Iowa Department of Revenue.

Persons *regularly* purchasing taxable goods or services *for their own use* in Iowa from an out-of-state source not collecting Iowa tax must register with the Department for consumer's use tax.

No registration fee is charged and no physical permit certificate is issued, although a consumer's use tax number is assigned. Complete the Iowa Business Tax Registration form to obtain a number.

Iowa consumer's use tax is filed electronically online through the department's Web site at www.state.ia.us/tax or by touch-tone telephone at 1-800-514-8296. If you have questions about eFile & Pay, please contact our eFile Service Unit at 515-281-8453/1-866-503-3453 or idrefile@iowa.gov

Businesses:

Businesses making taxable purchases on a regular basis should register with our Department to file consumer's

use tax returns. However, some businesses may only occasionally make purchases for their own use and owe Iowa consumer's use tax. If this type of purchase is not typical for your business, instead of separately registering for consumer's use tax you can report the purchase on Line 2 "goods consumed" of your quarterly sales tax return or file and pay the tax as outlined for individuals below.

Businesses should review all purchases of goods or services to determine if the vendor collected the proper tax. Businesses that fail to do so may find themselves with a use tax liability, plus penalty and interest, for not reporting the use tax in a timely manner.

NOTE: Out-of-state contractors who don't have a permanent location in Iowa and who regularly conduct business in the state should apply for a *retailer's* use tax permit. The purchase price of the building materials and equipment that are purchased for use on a construction project in Iowa must be shown on the "goods consumed" line of the retailer's use tax return. Out-of-state contractors and other business people who are engaged in a one-time, non-recurring project or sale are not required to obtain a retailer's use tax permit. However, they should follow the instructions given below for individuals who owe tax from a single, non-recurring transaction.

Individuals:

To pay your consumer's use tax, send a check payable to "Treasurer State of Iowa" to the Iowa Department of Revenue, P.O. Box 10412, Des Moines IA 50306-0412 with a note explaining that it is for consumer's use tax. Include a list of the items purchased and their prices. Keep copies for your records.

Anyone who regularly purchases merchandise from out-of-state for his or her own use in Iowa should register for a consumer's use tax permit and pay the tax on a quarterly basis.

Examples of taxable purchases...

- A business purchases furniture and office supplies from a vendor in another state who is not registered to collect Iowa sales/use tax. The Iowa business does not resell these items; it uses them. If sales/use tax was not paid on these items when they were purchased, the business owes consumer's use tax to Iowa.
- An Iowa doctor who makes an untaxed out-of-state purchase of an exam table owes Iowa consumer's use tax.
- An Iowa individual who purchases clothing or stereo equipment or jewelry through a mail order catalog and does not pay Iowa sales tax to the mail order company owes consumer's use tax to Iowa.

Taxable services...

Not all services are subject to the Iowa sales and use tax. Only enumerated or listed services are taxable. For a list of taxable services, see our Web site.

A person or business that purchases taxable services from an out-of-state vendor who is not registered to collect or fails to charge Iowa tax owes consumer's use tax to Iowa if the results of the services are used in Iowa.

- An Iowa resident, for example, who sends jewelry or watches out of Iowa for repair will owe consumer's use tax on the repair costs – both materials and labor – if the out-of-state vendor is not registered to collect Iowa tax and if no tax is paid to the other state. (Jewelry and watch repair are subject to Iowa tax.)
- An Iowa business has a vehicle repaired out-of-state. If the out-of-state vendor did not collect tax on the transaction, then Iowa use tax is due upon the vehicle's return to Iowa. (Vehicle repair is also an Iowa taxable service)

If tangible personal property is sent out-of-state to be repaired and the service is not taxable in Iowa, the person owes consumer's use tax on only the materials furnished and used in the repair if the materials are separately itemized on the bill. If the materials and nontaxable services are not separately itemized, the tax is due on the invoiced amount. Separately itemized delivery charges are not taxable.

Paying tax to another state...

If possession is taken in another state and sales tax has already been paid to the other state on the goods or services, no additional tax is due if the tax paid is the same or more than Iowa's state rate of 6%. If the tax is less, the buyer owes Iowa the difference. It is the purchaser's responsibility to show where delivery took place and that the sales tax has been paid.

- Consider, for example, an Iowa business or person that purchases and takes possession of furniture in Nebraska, pays the Nebraska sales tax and then brings the furniture to Iowa to use. If the Nebraska sales tax is the same rate as Iowa's, no consumer's use tax is owed to Iowa.
- An Iowa business or person purchases and takes possession of furniture in Colorado and pays the Colorado sales tax. If Colorado's sales tax is less than Iowa's, the difference is due to Iowa.

Local option sales tax...

In addition to the state sales tax, Iowa has a local option sales tax that jurisdictions may or may not impose. When a purchase is made out-of-state for use in Iowa, local option tax is *not* due in addition to consumer's use tax. However, in transactions where Iowa sales tax plus local option tax should have been charged but was not, the business making the purchase must report and pay the

local option tax in addition to the 6% consumer's use tax. See information on the local option tax on our Web site.

Since situations do sometimes arise where retailers do not properly charge the local option tax to their customers, there are lines on the consumer's use tax return to allow for payment of the local option tax in those situations.

Example: A person located in the local option tax jurisdiction purchases items from a retailer located outside the jurisdiction. The retailer delivers the items in his truck to the person in the local option tax jurisdiction. The retailer charges the purchaser the state sales tax, but neglects to charge the additional local option tax. Since delivery was taken in the local option tax jurisdiction, the purchaser is responsible for remitting local option tax.

Goods consumed...

As mentioned previously, a business may only occasionally make a purchase for its own use that is subject to Iowa consumer's use tax. In that case, the business can report the purchase and pay the tax due on its quarterly sales tax return on Line 2 "goods consumed" instead of separately registering for consumer's use tax.

However, do not confuse true "goods consumed" with items subject to consumer's use tax.

"Goods consumed" are items purchased tax-free by a business and intended for resale, but which are later used for personal or business reasons. Whenever inventory is withdrawn for use by the business, the cost of those items is placed on the "goods consumed" line of the sales tax return. An example of this would be items withdrawn from inventory to demonstrate products or to give away as prizes for a contest or fundraiser.

Use tax protects Iowa businesses...

This tax was established in 1937, three years after the sales tax was enacted, to create a fair playing field for Iowa businesses.

Use tax protects in-state businesses from unfair competition by ensuring tax will be paid even if an out-of-state seller is not required to collect it from the purchaser. When tax is not collected on taxable purchases and services used in your community, local businesses operate at a competitive disadvantage. This in turn affects the economic health of your community and state.

If an out-of-state retail business has a physical presence (nexus) such as a store, warehouse, or sales staff in Iowa, it is required by law to register and collect Iowa tax. Businesses which make sales into Iowa, but lack physical presence in the state are not currently required to collect Iowa tax. Many out-of-state businesses; however, voluntarily collect Iowa tax as a courtesy to their customers. Out-of-state businesses are encouraged to register and collect Iowa tax voluntarily. If they do not, Iowa may contact the purchasers directly for payment. See "Streamlined Sales Tax Project" on our Web site.

LOCAL OPTION TAX

Iowa has a local option sales tax that may be imposed by counties. It is in addition to the 6 percent state sales tax. Many cities and unincorporated areas in Iowa have adopted this tax. For a current list of taxing jurisdictions, check our

Web site at www.state.ia.us/tax.

A local option sales tax is imposed after an election at which the majority of voters favors the tax. The local option tax usually remains in effect until it is repealed; however, the ordinance may include a sunset clause. Questions and problems regarding the election ballot should be addressed to the Iowa Secretary of State at (515) 281-5823.

The rate of the local option sales tax can be up to 1%. With few exceptions, local option sales tax applies whenever state sales tax applies. Local option sales tax does *not* have a complementary local option use tax.

Retailers remit local option sales tax with their monthly sales and use tax deposits and with the quarterly sales tax return, which contains local option sales tax reporting information.

Retailers do not have to obtain special sales tax permits in order to collect local option sales tax. Only the state sales tax permit is required.

What Is Taxed?

The amount of local option sales tax is based on purchase price. State sales or use tax is not subject to the local option sales tax.

Sales Tax On Goods

The local option sales tax is imposed on the gross receipts from sales of tangible personal property. Tax applies if “delivery” of the tangible personal property, occurs within a local option sales tax jurisdiction.

Delivery occurs where and when physical possession of the property being purchased transfers from a retailer to a buyer.

If any retailer delivers tangible personal property into a jurisdiction which imposes the local option sales tax, the tax is due.

However, if a retailer based in a local option jurisdiction delivers property to a location which does not impose local option sales tax, the tax is not due.

When a purchase is made before the local option sales tax is effective but delivery of the item is made afterwards in a taxing jurisdiction, the local option tax is due.

Vending Machines

The location of a vending machine is the place of sale for determining if local option sales tax applies.

Sales Tax On Services

Local option sales tax is imposed on a taxable service if the service is rendered, furnished, or performed within a local option sales tax jurisdiction. If a taxable service is substantially performed within a taxing jurisdiction, local option sales tax is due on the entire amount billed to the customer, unless the portion of the service not subject to tax is separately stated, separately billed and is reasonable in amount. If a service is billed for a period which is partially during a time when there is no local option tax and partially during a time when there is a local option tax, the *date* of the billing is used to determine whether local option tax is imposed. All billings dated on and after imposition of the tax are subject to the tax.

Goods Consumed

If a person who purchases items for resale or processing withdraws those items from inventory or from stock, the purchase price of the items is subject to local option sales tax if the items are withdrawn in a taxing jurisdiction.

Utilities

The address of the customer, or “subscriber,” is used to determine whether local option sales tax is due on the purchase of utility services or property. Delivery of gas and water occurs and the services of electricity, heat, solid waste (non-residential commercial), sewer (non-residential commercial), communication and pay television are rendered, furnished, or performed at the subscriber’s address.

Short Term Motor Vehicle Rental

In order for local option sales tax to apply, the motor vehicle must be transferred to the customer in a local option jurisdiction and payment for the rental must be made in the local option jurisdiction.

What Is Not Subject To Local Option Sales Taxes?

- room rentals in a hotel, motel, or other similar facility*
- sales of equipment by the State Department of Transportation
- sales of natural gas or electric energy subject to a city- or county-imposed franchise fee or users fee
- the sale of direct-to-home satellite pay television service
- self-propelled building equipment, pile drivers, motorized scaffolding, or attachments customarily drawn or attached to them, including auxiliary attachments which improve their performance, safety,

operation, or efficiency and including replacement parts used by contractors, subcontractors and builders for new construction, reconstruction, alterations, expansion or remodeling of real property or structures

*Prior to 7-1-05, the rental of rooms was exempt from local option sales tax if it was subject to the hotel/motel tax. On or after 7-1-05, lodging is no longer subject to local option tax, whether or not the hotel/motel tax is imposed.

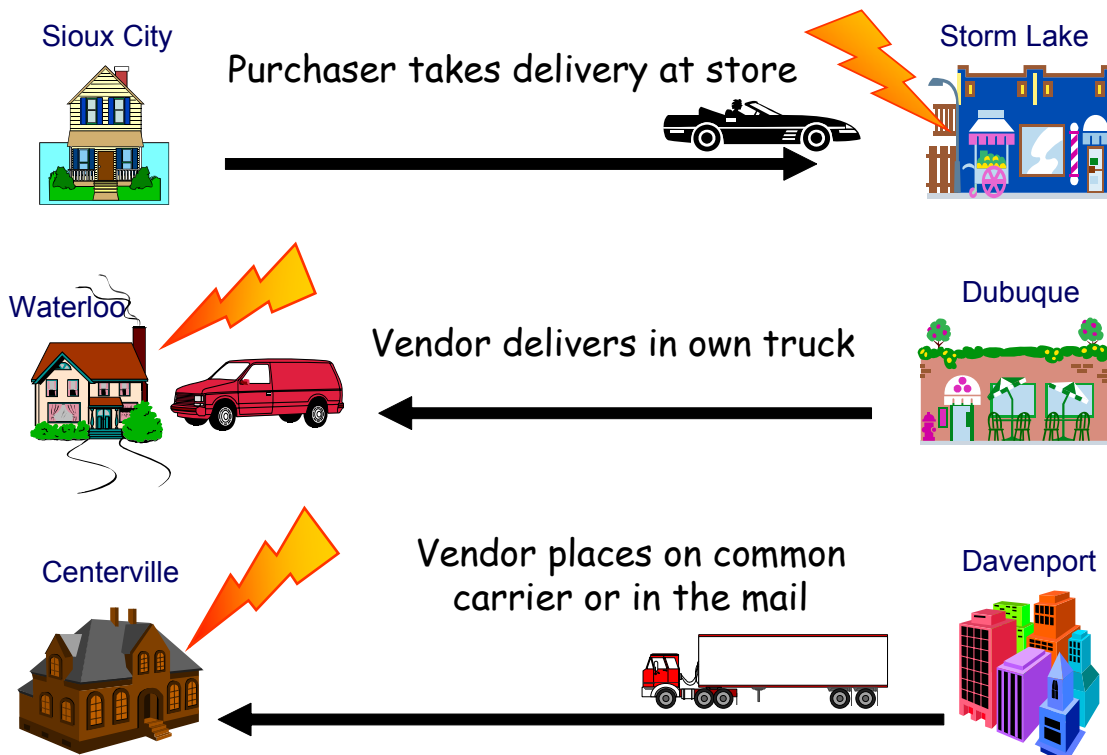
Penalty and Interest

If a merchant fails or refuses to collect local option sales tax, penalties associated with the nonpayment are the same as those for state sales tax. Failure to file returns or to remit tax timely is a serious matter. The Department will assess penalty and interest on the tax due. In addition to penalties, recurring failure to file returns or pay tax timely will result in the Department imposing a bond or revoking the sales tax permit.

Keeping Records

Retailers need to keep records of local option tax grouped only by county. It is not necessary to maintain records by individual city or other jurisdictions.

After JULY 1, 2004



Lightning bolt indicates where sales tax attaches to the transaction.

IOWA SALES TAX EXEMPTION CERTIFICATE

An Iowa Sales Tax Exemption Certificate is required when normally taxable items or services are sold free of sales or use tax. Most commonly, these are sales of items for resale or use in processing, but there are also other reasons for exemption. The valid use of an exemption certificate can be a valuable asset for the seller. If audited, the seller will be asked to produce exemption certificates to support tax-exempt sales. A valid certificate will pass the tax burden for unreported sales tax from the seller directly to the purchaser.

Sales tax 'exemption numbers' are not issued in Iowa

The Iowa Department of Revenue does *not* issue sales tax "exemption numbers" which make purchases by individuals or organizations exempt from sales tax. The purchaser's sales tax permit number is *not* an "exemption number."

The purchaser must complete a Sales Tax Exemption Certificate

When normally taxable sales are made free of sales or use tax, the seller must require the purchaser to complete and sign a Sales Tax Exemption Certificate. This certificate is a proper record of the tax-exempt transaction and must be retained by the seller for at least three years. It identifies the purchaser, the purchaser's business, the items being purchased and the reason for exemption. The purchaser must sign and date the certificate. The purchaser's sales tax permit number must be recorded on the certificate if the purchaser is a retailer.

Keep all exemption certificates on file for a minimum of three years.

Produce your own exemption forms

The Department will recognize substitute Sales Tax Exemption Certificate forms, provided they meet certain



Iowa Department of Revenue
www.state.ia.us/tax

Iowa Sales Tax Exemption Certificate

This document is to be completed by a purchaser whenever claiming exemption from sales/use tax.

Certificates are valid for up to three years. *Seller:* Keep this certificate in your files.

Purchaser: Keep a copy of this certificate for your records. Do not send this to the Department of Revenue.

Purchaser Name		
Address		
City	State	Zip Code
General Nature of Business		
Telephone Number		

Purchaser is doing business as a:

- ☐ Retailer
Sales tax permit no. : _____
- ☐ Wholesaler ☐ Farmer ☐ Lessor
- ☐ Manufacturer ☐ Nonprofit Hospital
- ☐ Private Nonprofit Educational Institution
- ☐ Governmental Agency (including public schools)
- ☐ Qualifying Residential Care Facility
- ☐ Non-Profit Museum ☐ Other: _____

Seller Name		
Address		
City	State	Zip Code

Purchaser is claiming exemption for the following reason:

- ☐ Resale ☐ Leasing ☐ Processing
- ☐ Qualifying Farm Machinery/Equipment
- ☐ Qualifying Industrial Machinery/Equipment
- ☐ Qualifying Replacement Parts ☐ Qualifying Computer
- ☐ Pollution Control Equipment ☐ Recycling Equipment
- ☐ Research and Development Equipment
- ☐ Direct Pay (permit no. required): _____
- ☐ Other: _____

Description of Purchase: Attach additional information if necessary. _____

Under penalty of perjury, I swear or affirm that the information on this form is true and correct.

Signature of Purchaser _____ Title _____ Date _____ 31-014 (7/13/07)

requirements. In order to be valid, a substitute form must include: the seller's name, the purchaser's name and address, the purchaser's nature of business (wholesaler, retailer, manufacturer, lessor, other), reason for exemption (resale, processing, other), general description of the products purchased and the purchaser's Iowa sales tax permit number (if the purchaser is a retailer). The purchaser must sign and date the certificate.

A 'blanket' exemption certificate is accepted in some cases

If the purchaser repeatedly makes tax-exempt purchases of similar items or services from the same seller, the seller may accept a blanket exemption certificate. The seller can keep this single certificate on file to cover repeat purchases. The seller must periodically verify that the information on the blanket exemption certificate is accurate and complete. Keep all blanket exemption certificates on file for a minimum of three years.

Sales tax statute of limitations

The statute of limitations for assessing a tax or applying for a refund is three years after a return is filed. The period of limitation may be extended by the taxpayer signing a waiver agreement.

The exemption certificate must be complete to be valid

An exemption certificate must be thoroughly completed by the purchaser and accepted by the seller to be regarded as valid.

How to determine whether a transaction is exempt

Most of the reasons which make a transaction exempt from Iowa sales tax are listed on the exemption certificate itself. The instructions on the back of the certificate further clarify these reasons.

The Department publishes the "Iowa Sales and Use Tax Information Booklet," which includes more information for retailers. Check our Web site for a copy of this booklet or for answers about a specific transaction.

EXEMPT SALES NOT REQUIRING EXEMPTION CERTIFICATE

Prescription Drugs

Prescription drugs which are dispensed by a registered pharmacist or licensed physician, surgeon, dentist, or podiatrist for human use or consumption are exempt.

Medical Devices

The gross receipts from the sale or rental of certain medical devices intended for human use are exempt from sales tax when sold or rented to the ultimate user.

Sales and rentals of oxygen equipment and oxygen for human consumption or use are exempt; prescriptions are not required.

Insulin

Insulin, hypodermic syringes, and diabetic testing materials for human use and consumption are exempt.

Construction

Services when performed on or in connection with new construction, reconstruction, alteration, expansion or remodeling.

Containers

Containers, labels, cartons, pallets, packing cases, wrapping paper, twine, bags, bottles, shipping cases, and other similar articles sold to retailers or manufacturers for the purpose of packaging or facilitating the transportation of tangible personal property sold at retail or which will further transfer the property in association with the maintenance or repair of fabric or clothing are exempt.

The above items are exempt if sold for use in agricultural, livestock or dairy production.

Containers used in the collection, recovery or return of empty beverage containers subject to deposit are exempt from *use* tax. No exemption from *sales* tax exists for these containers.

Food

Food and food ingredients for human consumption are exempt. Food and food ingredients means substances, whether in liquid, concentrated, solid, frozen, dried, or dehydrated form, that are sold for ingestion or chewing by humans and are consumed for their taste or nutrition value.

However, food does not include alcoholic beverages, candy, dietary supplements, prepared food, soft drinks, and tobacco.

Interstate Commerce

Sales of services performed on property delivered into interstate commerce and sales of tangible personal property delivered into interstate commerce are exempt.

Delivery into interstate commerce is made when the seller uses his or her own vehicles to deliver the goods out of Iowa or directly assigns goods to a common carrier for shipment out of Iowa. Delivery to a buyer in Iowa is taxable.

Newspapers

Newspapers, free newspapers, and shoppers guides are exempt.

Casual Sales

The casual sale exemption applies if:

- 1) it is a sale of a nonrecurring nature and
- 2) the seller at the time of the sale must not be engaged in selling goods or taxable services for profit; if the seller is so engaged, the casual sale must be outside the regular course of business

Two separate selling events outside the regular course of business within a 12-month period is considered *nonrecurring*. Three separate selling events within a 12-month period is considered *recurring*. Tax applies beginning with the third separate selling event.

However, when a sale event is planned and occurs consistently over a span of years, the sale is recurring and not casual, even though only one sale event occurs each year.

Sales of capital assets such as equipment, machinery, and furnishings are usually considered to be outside the regular course of business, and the casual sales exemption applies as long as the sales are nonrecurring.

When a retailer sells all or substantially all of the tangible personal property held or used in the course of business in which the retailer is required to hold a sales tax permit, the casual sale exemption applies only when the following circumstances exist:

- 1) The trade or business must be transferred to another person and
- 2) The transferee must engage in a similar trade or business.

This exemption does not apply to vehicles subject to registration, to aircraft, or to watercraft.

EXEMPT SALES REQUIRING EXEMPTION CERTIFICATE

Resale

Tangible personal property and services purchased for resale are exempt.

Tangible personal property is sold for resale when it is sold to retailers, wholesalers, jobbers or any person who is not the ultimate user or consumer of the property and who holds property for the purpose of selling it to another.

An example of a service sold for resale is when an auto repair shop subcontracts a job to another auto repair shop. The subcontractor is performing a service for resale.

Resale of Property Connected with a Service

Property that is resold in connection with a service is exempt when:

- 1) the provider and the user of the service intend that a sale of property will occur and
- 2) the property is transferred to the user in a form or quantity which is capable of any fixed or definite price value and is actually sold to the customer in conjunction with the performance of the service, and
- 3) the charge for the property is listed separately on the bill.

Examples:

- A. A television repair person buys television parts tax free. When using a part to repair a television set, the repair person charges the customer for the part and sales tax on it. The repair person lists the part as a line item on the bill.
- B. A barber or beauty shop uses shampoo while performing hair care services. The shop must pay sales tax on the shampoo used in the performance of the service.
- C. An automobile shop purchases solvents which are used in cleaning automobile parts. Tax is due at the time the repair shop purchases the solvent since the solvents are used in the performance of the service but are not sold in a form capable of a fixed or definite price value. The customer is not purchasing the solvent; the customer is purchasing a service, and part of that service is the cleaning of the parts.

NOTE: The sale to a retailer of automotive fluids is exempt from tax if the fluids are installed in or applied to a vehicle which the retailer intends to sell. The exemption also applies if the automotive fluid is installed in or applied to a motor vehicle in the course of providing a taxable service. These include but are not limited to motor

oil and other lubricants, hydraulic fluids, brake fluid, transmission fluid, sealants, undercoatings, antifreeze and gasoline additives.

- D. An accounting firm purchases plastic binders to assemble the reports issued to its customers. The firm must pay sales tax on the binders when purchasing them since they are not being sold to their customers.

Lease and Rental

Any item purchased with the intent to be leased or rented is exempt from sales tax as a purchase for resale.

Motor vehicles subject to registration and designed primarily for carrying nine or fewer passengers are exempt from the motor vehicle use tax when held for lease or rental for periods of 120 days and rented for less than a 60-day period.

When trucks, truck tractors, road tractors, trailers and semitrailers are purchased for lease and actually leased to a lessee for use outside Iowa and the sole subsequent use in Iowa is interstate transportation, the use of the vehicle is exempt from tax.

Government Entities

The sale of services and goods for public purposes to any tax-certifying or tax-levying body of the State of Iowa, governmental subdivision, including the State Board of Regents, State Department of Social Services, State Department of Transportation, any municipally-owned solid waste facility which sells all or part of its processed waste as fuel to a municipally-owned public utility, regional transit systems, and all divisions, boards, commissions, agencies, or instrumentalities of state, federal, county or municipal government which have no earnings going to the benefit of an equity investor or stockholder are exempt.

Sales to the federal government are exempt.

NOTE: Sales of goods and services rendered, furnished, or performed and used in connection with the operation of any municipally-owned public utility engaged in selling gas, electricity, or heat to the general public are subject to the tax.

The gross receipts from sales or services rendered, furnished, or performed by a county or city – except for utilities and fees charged for participating in athletic sports – are exempt.

For more information, see “Tax Responsibilities of Cities and Counties.”

NONPROFIT ORGANIZATIONS

Most nonprofit organizations must pay sales and use taxes

Common examples of nonprofit organizations include churches, church groups, Boy Scouts, Girl Scouts, Jaycees, Kiwanis, American Legion, 4-H, booster clubs and other similar groups. These groups must pay Iowa sales or use tax on purchases of taxable items and services for their own use – just like any other customer. While these groups may hold Iowa sales tax permits for taxable sales, having a sales tax permit does not make them exempt from paying tax on purchases for their own use.

A few nonprofit entities are exempt from paying sales tax

The Iowa Code *does* exempt certain specific nonprofit entities from paying sales tax on purchases. The most common of these are government agencies and subdivisions, including schools. These exempt entities *must* pay for their purchases with a check or voucher drawn on the entity's account or with a credit card set up the same way.

Even when the purchaser is a government agency, school or other exempt entity, the seller should require the purchaser to complete and sign a Sales Tax Exemption Certificate. If the purchaser repeatedly makes tax-exempt purchases of similar items, the seller may accept a blanket exemption certificate.

Exempt Organizations

Taxation of nonprofit organizations can be difficult to understand. Do not hesitate to contact Taxpayer Services to obtain additional information.

The sale or rental of tangible personal property or services performed, rendered, or furnished to the following nonprofit organizations are exempt:

- American Red Cross
- Navy Relief Society
- U.S.O. (United Service Organizations)
- Community health centers (as defined in 42 U.S.C.A. subsection 254c)
- Migrant health centers (as defined in 42 U.S.C.A. subsection 254b)
- Residential care facilities and intermediate care facilities for the mentally retarded and residential care facilities for the mentally ill (licensed by the Department of Health under Iowa Code Chapter 135C)
- Residential facilities for mentally retarded children (licensed by the Department of Human Services under Iowa Code Chapter 237)
- Residential facilities for child foster care [licensed by the Department of Human Services under Iowa Code Chapter 237, except those maintained by

“individuals” as defined in Iowa Code subsection 237.1(7)]

- Rehabilitation facilities which provide accredited rehabilitation services to persons with disabilities and which are accredited by the Commission on Accreditation of Rehabilitation Facilities or the Accreditation Council for Services for mentally retarded and other developmentally disabled persons and adult day care services approved for reimbursement by the Iowa Department of Human Services
- Community mental health centers (accredited by the Department of Human Services under Iowa Code Chapter 225C)
- Sales of tangible personal property and services made to nonprofit hospitals (licensed under Iowa Code Chapter 135B).
- Statewide nonprofit organ procurement organizations
- Nonprofit legal aid organizations
- Nonprofit organizations organized solely for the purpose of lending property to the general public for nonprofit purposes
- Nonprofit private museums*
- Governmental units, subdivisions or instrumentalities of the federal government or of the state of Iowa (This includes state, county and local subdivisions of the government of the state of Iowa and those of any other state which provide a similar sales tax exemption to Iowa and its political subdivisions.)*
- Federal corporations created by the federal government which are exempt under federal law*
- Private, nonprofit educational institutions located in Iowa*
- Habitat for Humanity in Iowa
- Toys for Tots in Iowa

**These entities are entitled to sales/use tax refund.*

The purchase of building materials which are used in the construction, remodeling or reconditioning of a facility by a contractor for one or more of the above entities is subject to tax at the time of purchase by the contractor.

Nonprofit entities such as churches and religious and social organizations are not automatically exempt from paying sales tax simply because they are described as nonprofit. Sales tax must be paid unless some other general sales tax exemption applies. Check out our Web site at www.state.ia.us/tax for more information.

Sales made BY entities/organizations

Sales made by entities or organizations engaged in educational, religious, or charitable activities are exempt based on the following criteria:

1. The *net proceeds* from such sales must be expended for qualifying educational, religious, or charitable purposes -- 501(3C).

2. An exemption from sales tax is allowed to the extent net proceeds are expended for qualifying educational, religious, or charitable purposes. Example: A local Jaycees chapter raises \$10,000 from a haunted house fund-raiser. The chapter gives \$9,000 to the United Way and retains the other \$1,000 for a pizza party for the chapter members and for others who helped with the event. The Jaycees can receive an exemption on the \$9,000, but must pay sales tax on the remaining \$1,000.

Current Iowa law does not focus on the nonprofit status of an organization as a qualification for exemption under the Internal Revenue Code 501(c)(3). Instead, Iowa law focuses on the manner and the extent that net proceeds are expended for a defined exempt activity.

NOTE: All receipts from gambling activities are subject to the sales tax, regardless of the ultimate use of the proceeds.

Net proceeds and taxability

Definition of net proceeds

“Net proceeds” are those remaining after direct expenses have been deducted from the gross receipts derived from the activity or event. The expenses must be necessary and have an immediate bearing or relationship to the fulfillment of the activity.

For example, the cost of food for a fund-raising meal is a direct expense; however, the cost of a victory celebration because the fund-raising dinner was a success is not a direct expense.

Net proceeds are deemed exempt from sales tax to the extent they are expended for a qualifying religious, educational, or charitable activity.

Examples of net proceeds and the tax consequences:

- A local organization has a fund raiser and collects \$10,000 in net proceeds from the event. The organization gives \$9,000 to a local nonprofit homeless shelter and uses \$1,000 of the net proceeds to pay guest speakers at its meetings. The organization is entitled to an exemption from sales tax on the \$9,000 in net proceeds given for a charitable activity, but must pay sales tax on the \$1,000 it retained for a taxable activity.
- A church holds a craft sale and uses the proceeds to purchase new pews for the church. The crafts can be purchased by the church exempt from sales tax as a purchase for resale. The church does not have to collect sales tax when the crafts are sold since the proceeds from the craft sale will be used for religious purposes (the purchase of new pews).
- A church holds a bingo night once a week. The proceeds are used to purchase new carpeting for the church. Sales tax applies to the gross bingo receipts since gambling activities are always taxable.
- A local nonprofit homeless shelter decides to have a fund-raising dinner. The shelter contracts and pays a local caterer to supply the meal and beverages. The shelter hires a printer to print tickets to be sold for the event and programs setting forth the evening’s entertainment. The net proceeds from the fund-raiser will be used by the shelter to assist homeless families with shelter, food, and medical care. The shelter does not pay sales tax on the food purchased from the caterer because the food is being purchased for resale. The shelter must pay sales tax on the printing costs for the tickets and the programs. The net proceeds from the fund-raising dinner are not subject to sales tax because it is being expended for a charitable activity.
- A church headquarters purchases Bibles from an Iowa vendor and sells them to its member churches. The profits from the Bible sales will be placed in a missionary recruitment fund. The Bibles can be purchased by the headquarter church exempt from sales tax as a purchase for resale. The church does not have to charge sales tax when it sells the Bibles since the proceeds will be used for religious purposes.
- A church holds a fair to raise money for new choir robes. An admission is charged. The church rents space to several local retail businesses to set up booths to sell craft items. The retailers will keep any gross receipts that are generated from the sales. The choir also has a booth at the fair and it sells books. The proceeds will also go toward the purchase of new robes. In this example, the local retail merchants are required to collect and remit sales tax on their sales, assuming such proceeds are not expended for a qualifying activity. The admission charge and the book sales are exempt from tax since the proceeds are being used for religious purposes (the purchase of the choir robes).

Food and drink sales that promote Iowa food

The gross receipts from the sales of food and beverages for human consumption by an entity or organization primarily engaged in the promotion of food or beverage products that are grown, produced, or raised in Iowa are exempt from tax.

Example: A nonprofit association that is also exempt from federal income tax under 501(c) under the Internal Revenue Code promotes the sale of turkey. In Winterset, Iowa, the organization sells turkey sandwiches, chips, and beverages to patrons of a festival encouraging the touring and preservation of its historic covered bridges. The association does not charge sales tax to the customers for the food purchased.

FARMERS GUIDE

Agriculture

Agricultural breeding livestock and domesticated fowl, commercial fertilizer used for agricultural production, agricultural limestone, herbicides, pesticides, insecticides, feed, medication and agricultural drain tile (and installation) which are to be used in disease control, weed control, insect control, or health promotion of plants or livestock produced as part of agricultural production for market are exempt.

Draft horses used primarily as a source of power for pulling or moving loads, such as the breeds of Clydesdale, Shire, Belgian or Percheron, are exempt.

Generally, sales and use taxes are not due on the purchase or rental of self-propelled implements or implements customarily drawn or attached to a self-propelled implement when they are used *directly* and *primarily* in agricultural or livestock production.

Auxiliary attachments which improve the performance, safety, operation or efficiency of the farm machinery or equipment are also exempt.

Certain farm machinery and equipment which is not self-propelled or attached to self-propelled equipment are also exempt from tax.

Seed and fruit trees used to grow food are exempt.

Hand tools are **not** exempt unless they are specifically for agricultural production.

For further information, see the “Farmers Guide” on our Web site.

Greenhouses

Implements, machinery, equipment and essential replacement or repair parts used to produce flowering, ornamental or vegetable plants in commercial greenhouses or other places for sale are exempt from sales tax.

Also exempt is fuel used to create heat, power, or steam for greenhouses or buildings or parts of buildings used to produce plants.

Real Property

The purchase of machinery and equipment which will become real property after installation (that is, a substantially permanent part of the farm property) is taxable. An exception to this is drainage tile, which may be purchased exempt. In general, machinery or equipment is real property if its removal after installation is difficult or if removal substantially lessens the value of the machinery or the location where it was placed.

Some equipment purchases may appear to be exempt, but they are not. For example: Installing a ventilation fan in a hole cut into the wall of a building appears to be the purchase of equipment for the purpose of livestock production (cooling) and, therefore, exempt from sales tax. However, cutting a hole into a building is



considered permanent installation. In this case, a ventilation fan becomes part of the building, and, therefore, “real property.” This type of fan purchase is not exempt from sales tax.

Registered Vehicles

Vehicles subject to registration are taxable. Any implement customarily drawn by or attached to a registered vehicle is taxable. This includes camping trailers and livestock trailers.

Farm tractors, combines and other such vehicles are exempt from tax because they meet all three of the following requirements: they are used directly and primarily in agricultural production, they are self-propelled, and they are not subject to registration.

Implements customarily drawn by self-propelled implements are exempt from tax if directly and primarily used in agricultural production and not subject to registration.

Replacement Parts

Replacement parts used in the operation of eligible farm machinery or equipment are exempt from sales tax.

Oil filters, spark plugs, gas filters, and tires are examples of exempt replacement parts.

Do not confuse replacement parts with supplies, most of which are taxable.

Oil and grease used in the routine maintenance of a tractor, for example, are not considered parts; they are considered supplies. They are taxable.

Hand Tools

Hand tools specially designed for use in agricultural, dairy and livestock production are exempt from tax. These include electric dehorers, hay hooks and others.

Hand tools which can serve a variety of purposes, such as construction tools of all kinds, are taxable.

USUALLY EXEMPT

Following is a general list of machinery and equipment which when purchased for farm work is usually exempt from Iowa sales tax. This list includes but is not limited to these items. If you have specific questions about exempt purchases, please contact our office.

EXEMPT FOR AGRICULTURAL PRODUCTION

adjuvants
alternators and generators ¹
augers ¹
balers
bale transportation equipment
baling wire and binding twine
batteries for exempt machinery
blowers, grain dryer
brush hogs ¹
combines, cornheads, platforms
conveyors, temporary or portable ¹
corn pickers
crawlers, tractor
cultipackers
cultivators
discs
draft horses
drags
drainage pipe and tile
dusters ¹
ensilage cutters
ensilage forks and trucks, a pickup does not qualify
farm wagons and accessories
fertilizer, agricultural
fertilizer spreaders
filters
forage harvesters, boxes
fuel for grain drying
gaskets
grain augers, portable ¹
grain drills
grain dryer, heater and blower
grain planters
harrows
hay conditioners
hay hooks
hay loaders
herbicides
implement customarily drawn or attached to a self-propelled implement
insecticides
irrigation equipment ¹
kill cones
limestone, agricultural
manure spreaders
mowers, hay
oil filters
oil pumps
packing materials
pesticides
pickers
plants (seeds)
planters
plows
piston rings

pruning and picking equipment ¹
replacement parts
rock pickers
rollers ¹
rotary blade mowers; not lawn mowers
rotary hoes
seeders
seed cleaners ¹
seed planters
seeds
self-propelled implements
shellers ¹
silo blowers, unloaders ¹
sowers
spark plugs for exempt machinery
sprayers¹
spreaders
sprinklers
subsoilers
surfactants
tillers
tires for exempt machinery
tractors, farm
tractor chains
tractor weights
vegetable harvesters
weeders ¹

¹ exempt if drawn or attached to a self-propelled farm implement or, if portable, used directly in dairy or livestock production

² exempt when used as livestock and poultry bedding

³ designed for farm use

EXEMPT FOR DAIRY AND LIVESTOCK PRODUCTION

adjuvants
alternators and generators ¹
artificial insemination equipment
augers ¹
automatic feeding systems, portable
batteries for exempt machinery
barn ventilators, portable
bedding materials ²
breeding stock, agricultural
bulk feeding tanks, portable
bulk milk coolers and tanks, portable
calf weaners and feeders, portable
cattle feeders, portable
chain and rope hoists, portable ¹
chick guards
chicken pickers, plucking equipment
clipping machines, portable ³
conveyors, temporary or portable ¹
cow stalls, portable
cow ties, portable
cow watering and feeding bowls, portable
crawlers, tractor
currying and oiling machines, portable
dehorers, electric
domestic fowl
draft horses
electric fence equipment, portable
fans/ventilators, portable
farm wagons and accessories
farrowing houses, crates, stalls portable
feed

feed bins, portable
 feed carts, portable
 feed elevators, portable
 feed grinders, portable
 feed scoops ³
 feed tanks, portable
 feeders, portable
 feeder chutes, portable
 fence and fencing supplies, temporary or portable
 foggers
 fuel to heat or cool livestock buildings
 gaskets
 gates, portable
 gestation stalls, portable
 grooming equipment, portable ³
 head gates, portable
 heaters, portable
 hog feeders, portable
 hog ringers ³
 hoof trimmers, portable ³
 hypodermic syringes and needles, non-disposable
 implement customarily drawn or attached to a self-propelled
 implement
 incubators, portable
 inoculation materials
 insecticides
 kill cones
 livestock feeding, watering and handling equipment, portable
 loading chutes, portable
 manure brooms, portable ³
 manure handling equipment, includes front end and rear end
 loaders, portable ³
 manure scoops, portable ¹
 medications
 milk coolers, portable
 milking equipment, includes cans, etc. ³
 milking machines
 milk strainers and strainer disks, if not disposable
 milk tanks, portable
 pesticides
 poultry feeders, portable
 poultry founts, portable
 poultry litters, portable
 poultry nests, portable
 replacement parts
 saw dust ²
 self-propelled implements
 space heaters, portable
 specialized flooring, portable
 sprayers¹
 squeeze chutes, stalls, portable
 stanchions, portable
 surfactants
 tires for exempt machinery
 thermometers ³
 tractors, farm
 tractor chains
 tractor weights
 vacuum coolers
 ventilators, portable
 water filters, heaters, pumps, softeners, portable
 waterers/watering tanks, portable
 weaners
 wood chips ²

¹ exempt if drawn or attached to a self-propelled farm implement or, if portable, used directly in dairy or livestock production

² exempt when used as livestock and poultry bedding

³ designed for farm use

TAXABLE

Following is a partial list of items that are taxable even if used in agricultural production.

additives	repair tools
air conditioners	road maintenance
air compressors	equipment
air tanks	road scraper
antifreeze	roofing
axes	sanders
barn cleaner, permanent	scrapers
barn ventilators, permanent	screwdrivers
baskets	shingles
belt dressing	shovels
bins, permanent	silos
brooms	snow fence
building materials and supplies	snow plows and snow
burlap cleaners	equipment
cattle feeders, permanent	space heaters, permanent
cement	specialized flooring,
chain saws	permanent
cleaning brushes	sprinklers, permanent
cleansing agents and materials	stalls, permanent
computers	staples
construction tools	stanchions, permanent
concrete	storage tanks
conveyors, permanent	tarps
cow ties	tractors, garden
ear tags	welders
fans, permanent	wheel barrows
fence, posts, wire, permanent	wrenches
field toilets	
fire prevention equipment	
freon	
fuel additives	
fuel tanks and pumps	
garden hoses and rakes	
glass	
grain bins and tanks, permanent *	
grease	
grease guns	
hammers	
hydraulic fluids	
hypodermic syringes, disposable	
lamps	
lanterns	
light bulbs	
lubricants and fluids	
lumber	
marking chalk	
materials used to build any "real property" *	
mops	
motor oils	
nails	
office supplies	
oxygen	
packing room supplies	
paint and paint sprayers	
pliers	
post hole diggers, hand tool	
poultry brooders, permanent	
poultry feeders, permanent	
poultry nests, permanent	
pruning tools	
pumps for household or lawn use	
radios	
refrigerators for home use	

* The buyer of building materials is responsible for paying sales tax or use tax on those materials. The buyer is the person who pays the vendor. This includes materials to construct grain bins.

SALES TAX ON COMPUTERS

The sale or rental of computers used in manufacturing, research and development or in processing or storage of data or information by an insurance company, financial institution or commercial enterprise is, under certain circumstances, exempt from tax.

The sale or rental of machinery, equipment, or computers *directly and primarily* used in the recycling or reprocessing of waste products is also exempt from tax.

The sale or rental of computers, including pollution control equipment, to public and private utilities is taxable.

Hardware

“Computer” means stored program processing equipment and all devices fastened to it by means of signal cables or any communication medium that serves the function of a signal cable. Examples of devices fastened by a signal cable or other communication medium are terminals, printers, display units, card readers, tape readers, document sorters, optical readers, and card or tape punchers.

Also included within the meaning of the word “computer” is any software consisting of an operating or executive program upon which the basic operating procedures of a computer are recorded and which serves as an interface with an application program, and is purchased as a part of the sale of the computer for which it operates.

Excluded from the definition of computer is point-of-sale equipment, such as scanners and cash registers.

To be exempt, computers must be used in the processing or storage of data or information by a commercial enterprise or used in manufacturing.

Canned Software

“Canned software” is prewritten computer software which is offered for general or repeated sale or rental to customers with little or no modification at the time of the transaction beyond specifying the parameters needed to make the program run. The term also includes programs offered for general or repeated sale or rental which were initially developed as custom software. Canned software includes program modules which are prewritten and later used as needed for integral parts of a complete program.

The sale or rental of canned software is taxable. Tax applies to the entire amount charged to the customer for canned software. All fees included in the purchase price are subject to tax. These include license fees, royalty fees, right to use fees or program design fees, whether for a period of minimum use or for extended periods.

The sale or rental of canned software is taxable, even if the program is transferred by remote telecommunications from the seller’s place of business to



or through the purchaser’s computer for storage on the purchaser’s computer.

Tax applies to the sale of canned software whether the software is transferred by storage media, electronically, utilizing cable, radio waves, microwaves, satellites, fiber optics, or any other method of delivery now in existence or which may be devised, for purposes of being recorded on storage media regardless of any contractual restrictions on the frequency of use.

Custom Software

“Custom software” is specified, designed, and created by a vendor at the specific request of a customer to meet a particular need. It is considered a sale of a service and is not taxable.

Tax does not apply to the transfer of custom software in the form of written procedures, such as program instructions listed on coding sheets. Tax applies to the sale of material transferred to the customer in the form of typed or printed sheets if separately invoiced. Where a vendor sells custom software to a purchaser who requires multiple copies, separately stated charges for copying the custom software are charges for the sale of tangible personal property.

Separately stated charges for replacing custom software which has become unusable with another copy of the software are taxable.

Examples of services that do **not** result in custom software include loading parameters to initialize program settings and arranging preprogrammed modules to form a complete program.

Modifying canned software

Canned software is taxable. The service of modifying canned software is exempt if the charges are separately itemized and if the cost of the modifications is less than 50 percent of the contract price to the customer.

When the charges for modification are not separately stated, tax applies to the entire charge unless the

modification is so significant that the new program qualifies as a custom program.

If the prewritten program before modification was previously marketed, the new program will qualify as a custom program if the price of the prewritten program was 50 percent or less of the price of the new program.

If the prewritten program was not previously marketed, the new program will qualify as a custom program if the charge made to the customer for custom programming services was more than 50 percent of the contract price to the customer.

Processing/Storage Requirements

All computers store and process information. However, the “final output” for the user or consumer must be stored or processed data in order for the computer to be exempt.

Example

Property used in processing/storage of information or data.

A health insurance company has three computers. Computer A is used to monitor the temperature within the insurance company’s building. The computer transmits messages to the building’s heating and cooling system, telling it when to raise or lower the level of heating or air conditioning as needed. Computer B is used to store patient records and will recall those records on demand. Computer C is used to tabulate statistics regarding the amount of premiums paid in and the amount of benefit paid out for various classes of insured. The use of Computer B is for stored information. The final output of Computer C is processed information. The sale, lease, or use of Computers B and C is not taxable. Computer A is taxable.

Qualifying Businesses

Commercial Enterprises

“**Commercial enterprises**” includes for-profit businesses and manufacturers. It includes data processing services to insurance companies, financial institutions, businesses, and manufacturers.

Professions, occupations and nonprofit organizations are not commercial enterprises. A corporation which conducts any business which is a profession or occupation is not a commercial enterprise. A nonprofit organization is not a commercial enterprise.

“**Profession**” means a vocation or employment requiring specialized knowledge and often long and intensive academic preparation. Lawyers and doctors are examples of professions.

“**Occupation**” means the principal business *of an individual*. Farmers and plumbers are examples of occupations.

Being a commercial enterprise is one of the requirements necessary to purchase computers tax free. It is not, however, the only factor.

Financial Institutions

“**Financial institution**” is a bank incorporated under Iowa Code or federal law; a savings and loan association incorporated under Iowa Code or federal law; a credit union organized under Iowa Code or federal law; or any corporation licensed as an industrial loan company under Iowa Code. Loan brokers governed by Iowa Code and production credit associations are not financial institutions.

Computers purchased by financial institutions to process or store data are exempt from tax. This includes automatic teller machines.

Insurance Companies

“**Insurance company**” means an insurer organized or operated under Iowa Code chapter 508, 514, 515, 518, 518A, 519, or 520 or authorized to do business in this state as an insurer or licensed insurance agent under Iowa Code chapter 522. Excluded from the definition of “insurance company” are fraternal and beneficial societies governed by Iowa Code chapter 512 and health maintenance organizations governed by Iowa Code chapter 514B.

Software Maintenance Contracts

Maintenance contracts generally provide that the purchaser will be entitled to receive storage media on which prewritten program improvements have been recorded. The maintenance contract may also provide that the purchaser will be entitled to receive certain services, including error corrections and telephone or on-site consultation services.

Nonoptional maintenance contract

If the maintenance contract is required as a condition of the sale or rental of canned software, it is considered as part of the sale or rental of the canned software. The gross receipts are subject to tax whether or not the charge for the maintenance contract is separately stated from the charge for software.

Optional maintenance contract

If the maintenance contract is optional to the purchaser of canned software, then only the portion of the contract fee representing improvements delivered on storage media is subject to sales tax if the fee for other services, including consultation services and error corrections, is separately stated. If the fee for other services, including consultation services and error corrections, is not separately stated from the fee for improvements delivered on storage media, the entire charge for the maintenance contract is subject to sales tax.

For maintenance agreements entered into on or after July 1, 1998, that provide computer software maintenance or support services and the fee for this contract is not a separately stated fee from the taxable property or nontaxable services, then tax is to be imposed on 50% of the gross receipts from the sale of the maintenance contract. However, if the contract is for technical support only, then tax is not to be imposed on the sale of the contract. If the contract is a separately stated fee, then only the fees that represent improvements or enhancements are subject to tax.

Services

Services, such as maintenance services, that are an inseparable and mandatory part of the sale or lease are taxable whether or not the charges are separately stated.

Taxable services purchased on an optional basis are taxable. Taxable services include, but are not limited to, tangible personal property rental, machine repair, services of machine operators, office and business machine repair, and electrical and electronic installation and repair. Programming and training are not taxable services.

Data Processing

As defined below, data processing is not a taxable service, even though some tangible personal property may be incidentally transferred to the client. (Charges for tangible personal property separately sold to the client are taxable sales.)

“Processing a client’s data” means the developing of original information from raw data furnished by a client. Examples of data processing which develop original information are summarizing, computing, extracting, sorting, sequencing, or the updating of a continuous file of information maintained by the customer with the data processing firm.

Generally speaking, if a person enters into a contract to process a client’s data, the transfer of the original information to the client is incidental to the data processing service. This transfer of information is not taxable.

Data processing contracts usually provide that the person will receive the client’s source documents, record data in machine readable form, such as on discs or magnetic tape, make necessary corrections, create original information as the result of the processing, and then provide tabulated listings or record output on other media. This constitutes a data processing service even if the total charge is broken down into specific charges for each step.

Examples of nontaxable data processing service include, but are not limited to, accounting reports, accounts receivable, accounts payable, sales analysis, inventories, payrolls, and tax reports.

“Processing a client’s data” does not include:

- (1) an agreement providing solely for the reformatting of data or preparation of a proof listing or the performance of an edit routine or other preprocessing; this is taxable
- (2) the using of a computer as a mere printing instrument, as in the preparation of personalized computer-printed letters; this is taxable
- (3) the mere converting of data from one medium to another; this is taxable or
- (4) an agreement under which a person undertakes to prepare artwork, drawings, illustrations, or other graphic material whether the graphic material is transferred onto storage media or otherwise; this is taxable. Note, however, that graphic material furnished incidentally for the performance of a nontaxable service is not subject to tax. For example, graphics furnished in connection with the performance of architectural, engineering, accounting, or similar nontaxable professional services are not subject to tax.

Processing of a client’s data must not be confused with the term “processing” as is done by a manufacturer. The processing exemptions for manufacturing are not the same as for data processing.

Example

Company H contracted with Company I to process the results of a consumer market survey. H sent the raw data consisting of completed questionnaires to I. I entered the data into its computer, tabulated the results, and analyzed the research. I presented H with a printed report with its conclusions and a magnetic tape containing all the tables and graphs. I’s charges are for the service of processing a client’s data and are not for the sale of tangible personal property.

Example

An auto parts retailer hires a data processing firm to optically scan and record its parts book on a computer disk. No analysis or other service is performed regarding the data. Essentially, this is the same as making a copy of the parts book and the transaction is, therefore, a sale of tangible personal property.

Storage Media

“Storage media” includes hard disks, compact disks, floppy disks, diskettes, disk packs, magnetic tape, cards, paper tape, paper, books, film, videotape, audio tape, cassette, coding sheets, record, drums, microfilm, or other media or devices used for storage of information readable by a computer.

Tax applies whether title to the storage media on which the software is recorded, coded, or punched passes to the customer or the software is recorded, coded, or punched on storage media furnished by the customer. A

fee for the temporary transfer of possession of canned software for the purpose of direct use to be recorded, coded, or punched by the customer or by the lessor on the customer's premises is taxable.

Rental

Gross receipts from the rental of films, video disks, video cassettes, and any computer software (other than rental of custom software) are subject to tax when rented to the general public.

Gross receipts from royalties, copyright, and license fees are subject to tax if a tangible medium is transferred by the seller or the purchaser records onto or incorporates into tangible media the information transferred by the seller by other means.

Time-Sharing

Charges made for the use of computer equipment on a time-sharing basis, where access to the equipment is by means of remote facilities, are not subject to tax. Time sharing which is, in fact, a rental of equipment, and the lessee exercises the right of possession or control over the equipment, is subject to tax.

Other Exempt Services

Designing of systems, converting of systems, consulting, training, and miscellaneous services.

These services consist of the developing of ideas, concepts and designs. Common examples of these nontaxable services are:

1. Designing and implementing computer systems (e.g., determining equipment and personnel required and how they will be utilized).
2. Designing storage and data retrieval systems (e.g., determining what data communications and high speed input-output terminals are required).
3. Converting manual systems to automatic data processing systems, converting present automatic data processing systems to new systems (e.g., changing a second generation system to a third generation system).
4. Consulting services (e.g., study of all or part of data processing system).
5. Feasibility studies (e.g., studies to determine what benefits would be derived if procedures were automated).
6. Evaluation of bids (e.g., studies to determine which manufacturer's proposal for computer equipment would be most beneficial).
7. Providing technical help such as analysts and programmers, usually on an hourly basis.
8. Writing (coding) and testing of programs, such as contract programming. These services result in the production of customized programs. This type of service is not taxable because programming requires the development or ascertainment of information, and the evaluation of data, in addition to other development skills.

Persons engaged in providing nontaxable computer services are the consumers of all tangible personal property used in such activities, and tax must be paid on their acquisition of such property.

Installation Charges

Installation of a computer or related equipment can include the taxable service of electrical or electronic installation. Electrical or electronic installation are exempt only when performed on or in connection with new construction, reconstruction, alteration, expansion, or remodeling of real property. Nontaxable services which are a part of computer installation are not taxable if separately contracted for and separately stated on the invoice. An example of this is the set-up of a computer.

Pickup and Delivery Charges

Pickup and delivery charges are not taxable when separately contracted for or, where no contract exists, are separately invoiced.

INDUSTRIAL MACHINERY AND EQUIPMENT

Design and Installation

The gross receipts from rendering, furnishing or performing the services of design and installation of new industrial machinery or equipment, including electrical and electronic installation, are exempt from the sales tax. The exemption applies regardless of whether the design and installation is on or connected with new construction.

Processing for Manufacturers

Beginning July 1, 1997, the definition of processing for manufacturers was expanded.

This new definition is sometimes referred to as “door-to-door processing.” In general, processing begins with receiving or producing raw materials. It ends at the point the products are delivered for shipment or transferred from the manufacturer.

Receipt or producing of raw materials means activities performed upon tangible personal property only. Activities performed on real property are not exempt.

Processing includes, but is not limited to, the following:

- refinement or purification of materials
- treatment of materials to change their form, context or condition
- maintenance of the quality or integrity of materials, components, or products
- maintenance of environmental conditions necessary for materials, components or products
- quality control activities
- construction of packaging and shipping devices
- placement into shipping containers or any type of shipping device or medium
- movement of materials, components or products until shipment from the manufacturer

Examples

1. Processing begins.

Company A manufactures fine furniture. It owns a grove of walnut trees which it uses as raw material. Employees cut the trees, transport the logs to the factory, off-load them there, and store the logs in a warehouse to begin curing the wood before taking it to the sawmill.

“Processing” begins when the logs are placed on vehicles other than vehicles subject to registration for transport to the factory.

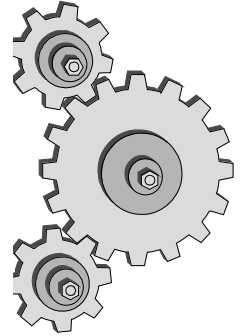
2. Processing begins.

The same company also buys mahogany logs from a supplier in Honduras. Company A uses its own equipment to off-load the logs from railroad cars at its manufacturing facility. It then transports, stores, and saws the logs as described in Example 1.

Processing begins when Company A off-loads the logs from the railroad cars.

3. Middle stages of processing.

Company C is a microbrewery. It uses a variety of kettles, vats, tanks, tubs, and other containers to mix, cook, ferment, settle, age, and store the beer it brews. It also uses a variety of pipes and pumps to move the beer among the various containers involved in the activity of brewing.



All stages of this brewing are part of processing. Transforming the raw materials from one state to another, such as fermenting and aging, is part of processing. Simply holding the materials in an existing state, such as storage of hops in a bin or storage of beer prior to bottling, is also a part of processing. Any movement of the beer between containers is an activity which is a part of processing, whether this movement is an “integral part” of the production of beer or not.

4. End of processing.

After the brewing process is complete, Company C places its beer in various containers, stores it, and moves it to its customers by a common carrier who picks up the beer at the brewery. The following are still part of processing: C’s activities of placing the beer into bottles, cans, and kegs; storing it after packaging; and moving the beer by use of a forklift to the common carrier’s pickup site.

Industrial Machinery, Equipment, Computers, Replacement Parts

The sale or rental of industrial machinery, equipment, computers and replacement parts for such equipment is exempt. The replacement parts must be depreciable for state and federal income tax purposes.

Industrial machinery and equipment must be directly and primarily used by a manufacturer in processing tangible personal property or in research and development of new products or processes of manufacturing, refining, purifying, combining of different materials, or packing of meats. Industrial machinery and equipment must also be industrial real property. Computers must be used in the processing or storage of data or information by an insurance company, financial institution or commercial enterprise.

Pollution control equipment meeting these requirements is also exempt.

Machinery, equipment, computers, and replacement parts which are depreciable for state and federal income tax purposes are exempt from the tax if they are used directly and primarily in the recycling or reprocessing of waste products.

Materials and Services Used in Processing

Electricity or steam or any taxable service purchased and used in the processing of tangible personal property intended to be ultimately sold at retail is exempt from tax.

Exempt: Tangible personal property, including containers, sold for processing when it:

- a. by means of fabrication, compounding, manufacturing, or germination becomes an integral part of other tangible personal property intended to be ultimately sold at retail
- b. is a chemical, solvent, sorbent, or reagent, which is directly used and consumed, dissipated, or depleted in processing tangible personal property which is intended to be sold ultimately at retail even if it does not become a component or integral part of the finished product. These materials are also exempt when consumed in the maintenance or repair of fabric or clothing.
- c. is consumed as fuel in creating heat, power, or steam for processing, including grain drying, for providing heat or cooling for livestock buildings or for generating electric current, or consumed in self-propelled implements of husbandry engaged in agricultural production, such as fuel used in a farm tractor used to plant corn.

Replacement Parts

A replacement part is any machinery or equipment part which is substituted for another part that has broken, become worn out or obsolete, or is otherwise unable to perform its intended function. The part must materially add to the value of industrial machinery and equipment or appreciably prolong their lives or keep them in their ordinarily efficient operating condition. A replacement part is presumed to have a useful life of one year or more.

Supplies are not replacement parts and are taxable.

The following are examples of supplies, **not** replacement parts, and are taxable:

- drill bits
- punches
- reamers
- lubricants
- sanding discs
- air filters
- grinding wheels
- taps
- saw blades
- coolants
- sanding belts

Machine Repair of All Kinds

The repair of machines of all kinds is taxable.

Qualifying replacement parts are exempt if separately billed. Labor charges are taxable. There is no exemption for labor used to repair machines.

“Machine” includes all devices having moving parts and operated by hand, powered by a motor, engine, or other form of energy. It is a mechanical device or combination of mechanical powers and devices used to perform some function and produce a certain effect or result.

Warranties and Maintenance Contracts

“**Mandatory warranty**” is when the buyer, as a condition of the sale, is *required* to purchase the warranty or guarantee contract from the seller. The cost of the warranty is part of the cost of the item. Therefore, the sale of a mandatory warranty is taxable only if the item is taxable. Sales of replacement parts and materials to the seller furnishing them is a sale for resale and not taxable. Labor performed under a mandatory warranty is exempt, even if performed with a taxable service.

“**Optional warranty**” is when the buyer is *not required* to purchase the warranty or guarantee contract from the seller. The price of the optional warranty is taxable.

A **preventive maintenance contract** is a contract which requires only the visual inspection of equipment and no repair is or will be included. The gross receipts from the sale of a preventive maintenance contract are not subject to tax.

Additional charges for parts and labor furnished in addition to what is covered by a warranty or maintenance contract are taxable if the service is taxable. Only parts (not labor) are subject to tax when a nontaxable service is performed, but the labor charge must be separately stated.

CONSTRUCTION CONTRACTORS

Anyone who provides labor and materials to erect a structure is considered to be a construction contractor for that job, even if his/her usual occupation or profession is something else, such as a repairer or odd-job laborer.

“Contractor” includes a general contractor, special contractor, subcontractor or builder.

Types of construction contractors in Iowa

How a person is classified – as a contractor, contractor-retailer, manufacturer-contractor, or repair person – is the basis for determining many tax obligations. It can be difficult for a person starting a business to determine if that business will be engaged in contracting, retailing, a combination of the two, or providing repair services. However, **one status must be chosen.**

A status should not be changed unless it becomes clear that the business has become another status. For instance, if a business begins as a contracting business only, but the owner finds he must sell construction materials at retail if the business is to continue, the status can change to contractor-retailer. Note, however, that a significant portion of the business’ income must come from retail sales in order to have this classification.

Sales to

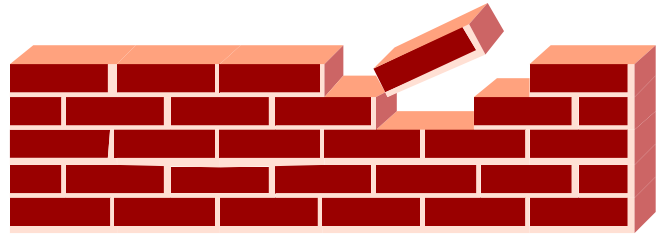
Construction Contractors

Construction contractors are considered to be the consumers of building materials and supplies purchased for use in construction contracts. They are responsible for paying sales tax at the time the purchases are made. If tax is not collected by their supplier, the contractor is responsible for paying it directly to the Department. A contractor’s purchase of materials delivered in Iowa for use in a construction contract is subject to tax whether the materials are purchased for use in construction contracts performed in Iowa or outside this state.

Suppliers should not accept sales tax exemption certificates from contractors, except those certificates provided to a contractor by a Designated Exempt Entity. Contractors are not allowed to make purchases for resale merely because they have a sales tax permit number. There is no exemption to contractors when their job is for nonprofit organizations, including churches.

Contractors *must* pay tax on materials used in construction projects performed outside of Iowa if the materials are delivered in or into Iowa.

Contractors who perform taxable repair work should charge sales tax on labor charges only, if they itemize the material. If materials are not itemized, the whole job is subject to collection of sales tax.



Building equipment sold to contractors

Building equipment sold to contractors is taxable.

The term “building equipment” means any vehicle, machine, tool, implement or other device used by a contractor in erecting structures for others, or reconstructing, altering, expanding or remodeling property of others that does not become a physical component part of the property upon which work is performed and is not necessarily consumed in the performance of such work. Building equipment includes but is not limited to:

- compressors
- drill presses
- electric generators
- forms
- hand tools
- vehicles including grading, lifting and excavating vehicles
- lathes
- replacement parts for equipment
- scaffolds
- tools

Is the contract with a governmental unit, private nonprofit educational institution, museum or business in an economic development area?

Contractors, subcontractors, and builders who contract with governmental units, nonprofit private museums, private nonprofit educational institutions or businesses in an economic development area are required to pay sales tax on building materials, supplies and equipment to their suppliers or to remit use tax on them.

Beginning January 1, 2003, government entities and certain nonprofit organizations have the option to issue an exemption certificate to the general and subcontractors of construction projects. This will allow them to purchase construction materials tax free and will eliminate the requirement for the contractor’s statement and the need for the government entity to request a refund. The project bid document will clearly state which option the exempt entity elects to use. See the Department Web site for complete information (www.state.ia.us/tax).

If the contract includes machinery or equipment, it must be purchased for resale; the contractor should give the supplier a valid exemption certificate. The contractor should not charge sales tax on machinery and equipment sold to governmental entities, nonprofit private museums and private nonprofit educational institutions.

Machinery and equipment

“Machinery and equipment” refers to machinery and equipment that remains tangible personal property and does not become real property when installed. For example, window air conditioners are not considered real property when installed.

Contractors who sell machinery or equipment that is not exempt from tax must purchase it for resale and then charge sales tax as part of the contract. The contract must either itemize sales tax separately or state that sales tax is included in the contract price. When a construction contract is mingled with a machinery and equipment sales contract (a mixed contract), the two parts should be separated for sales tax purposes.

Distinguishing machinery and equipment from real property

“Machinery and equipment” includes property that is tangible personal property when it is purchased and remains tangible personal property after installation. Generally, tangible personal property can be moved without causing damage or injury to itself or to the structure, and it does not in any other manner constitute an integral part of a structure.

Machinery and equipment that is not permanently annexed to the realty remains tangible personal property after installation.

Tangible personal property that become structures

Items that are manufactured as tangible personal property can, by their nature, become structures. However, the determination must be made on an item-by-item basis. Following is a list of standards courts have used to make these decisions.

- The degree of architectural and engineering skills necessary to design and construct the structure
- The overall scope of the business and the contractual obligations of the person designing and building the structure
- The amount and variety of materials needed to complete the structure, including the identity of materials prior to assembly and the complexity of assembly
- The size and weight of the structure
- The permanency or degree of annexation of the structure to other real property that would affect its mobility
- The cost of building, moving or dismantling the structure

Example: A farm silo, which is a prefabricated glass-lined structure, is intended to be permanently installed. The silo is 70 feet high and 20 feet around, weighs 30 tons, and is affixed to a concrete foundation weighing 60 tons that is set into the ground for the specific purpose of supporting the silo. The assembly kit includes 105 steel sheets and 7,000 bolts. The silo can be removed without material injury to the realty or to the unit itself at a cost of \$7,000. In view of its massive size, the firm and permanent manner in which it is erected on a substantial foundation, its purpose and function, the expense and size of the task and the difficulty of removal, it is considered a structure and not machinery or equipment.

Welcome >

All error and informational messages will display at the top of the screen, below the title.

Login

Business Taxes:

Enter your BEN, select Business Taxes, and press CONTINUE.

Business eFile Number (BEN): (8 digit number mailed to you)

☒ Business Taxes (Withholding, Sales, Use, LPG Fuel, Motor Fuel)

Individual Income/Corporation Income ePayments:

Not enrolled? [Click here.](#)

Enrolled? Enter your BEN, select Individual Income/Corporation Income ePayments, and press CONTINUE.

Business eFile Number (BEN): (8 digit number mailed to you)

☐ Individual Income/Corporation Income ePayments
(IA1040/IA1040ES; IA1120/IA1120ES)

CONTINUE

eFile & Pay: A paperless method of filing deposits and returns online or by touch-tone telephone. Both are safe, secure systems.

QUESTIONS?

About Iowa eFile & Pay:

idrefile@iowa.gov
515-281-8453 or 1-866-50-e-file
(1-866-503-3453)

About Iowa Tax Law:

idr@iowa.gov
515-281-3114 or 1-800-367-3388


Sales Tax Deposit >







IMPORTANT: If you had no sales tax activity, enter zero on line 1 and click CONTINUE.

Enter appropriate amounts in the boxes below. The system automatically calculates lines that do not have an entry box when you click CALCULATE.

For full instructions, please view the [Iowa Sales Help](#) page.

Round all amounts to the nearest dollar.
Do not enter cents.
Do not use punctuation.

Questions? Click on the question mark .

Sales Tax Deposit	
Period:	Due Date:
July 1 - July 31, 2008	August 20, 2008
1. 6% State Sales Tax 	1. \$ <input type="text"/> .00
2. Local Option Tax 	2. \$ <input type="text"/> .00
3. DEPOSIT AMOUNT (addition of lines 1 and 2) 	3. \$ CALC
4. Penalty 	4. \$ CALC
5. Interest 	5. \$ CALC
6. TOTAL AMOUNT DUE (addition of lines 3-5) 	6. \$ CALC
<input type="button" value="CALCULATE"/>	
<input type="button" value="BACK"/>	<input type="button" value="CONTINUE"/>

STEPS FOR FILING MONTHLY DEPOSITS AND QUARTERLY RETURN

Monthly filers are required to file two monthly deposits and one quarterly return each quarter. Here are the three steps to follow to report and pay sales tax.

Step 1. The **first month** of the quarter separately list the amount of the state sales tax and the amount of local option tax. Detailed local option information is not included with the monthly deposit. A local option schedule with a county-by-county list is completed with the quarterly return (Step 3). Also, Gross Sales, Goods Consumed, Exemptions, Hotel/Motel Tax, an Auto Rental Tax, and sales of certain construction equipment are reported on the quarterly return only, not on the monthly deposit. If applicable, enter penalty and interest on lines 5 and 6 (see instructions for lines 10 and 11 of quarterly return).

Step 2. For the **second month** of the quarter, repeat Step 1.


Step 3. For the **third month** of the quarter, complete the quarterly sales tax return. All amounts on lines 1 through 7 of the quarterly return will be totals for the entire quarter. Concerning local option tax, add the local option sales tax for all three months of the quarter and place that amount on line 6b. Complete the detailed local option portion of the quarterly return. If needed, complete Schedule A on the quarterly return to report Hotel/Motel Tax, Auto Rental Tax, and sales of certain construction equipment.

Sales Tax Quarterly Return >

IMPORTANT: If you had no sales tax activity, enter zero on line 1 and click CONTINUE.

Enter appropriate amounts in the boxes below. The system automatically calculates lines that do not have an entry box when you click CALCULATE.

For full instructions, please view the [Iowa Sales Tax Help](#) page.















Questions? Click on the question mark .

**Round all amounts to the nearest dollar.
Do not enter cents.
Do not use punctuation.**

Sales Tax Quarterly Return

Period: **Jul 1 - Sep 30, 2008**

Due Date: **Oct 31, 2008**

1. Gross Sales This Quarter 	1.	\$	<input type="text"/>	.00
2. Goods Consumed This Quarter 	2.	\$	<input type="text"/>	.00
3. Total (addition of lines 1 and 2) 	3.	\$	CALC	
4. Exemptions This Quarter 	4.	\$	<input type="text"/>	.00
a. Interstate Commerce		\$	<input type="text"/>	.00
b. New Construction		\$	<input type="text"/>	.00
c. Industrial Machinery, Equip. & Computers		\$	<input type="text"/>	.00
d. Resale		\$	<input type="text"/>	.00
e. Processing		\$	<input type="text"/>	.00
f. Residential Utility		\$	<input type="text"/>	.00
g. Sales Tax Holiday		\$	<input type="text"/>	.00
h. Other (including Government)		\$	<input type="text"/>	.00
	Total Exemptions	\$	CALC	
5. Taxable Amount (line 3 minus line 4) 	5.	\$	CALC	
6a. State Sales Tax (6% of line 5) 	6a.	\$	CALC	
To report local option tax and/or sales by county, click here: LOCAL OPTION/SALES ENTRY SCHEDULE CLICK HERE				
6b. Total Local Option Tax (from Local Option Tax/Sales Entry Schedule) 	6b.	\$	DISPLAY	
6c. Total from Schedule A 	6c.	\$	DISPLAY	
7. Total Tax 	7.	\$	CALC	
8. Deposits/Overpayment Credits This Quarter  View Deposit History	8.	\$	<input type="text"/>	
9. Balance (line 7 minus line 8) 	9.	\$	CALC	
10. Penalty 	10.	\$	CALC	
11. Interest 	11.	\$	CALC	
12. TOTAL AMOUNT DUE (addition of lines 9-11) 	12.	\$	CALC	

CALCULATE

SALES TAX RETURN INSTRUCTIONS

Line 1: Gross Sales This Quarter - Enter the total gross sales for the entire quarter. Do not include sales subject to state excise tax (room rentals and sales of certain construction equipment). DO NOT INCLUDE THE SALES TAX CHARGED ON TAXABLE SALES ON THIS LINE.

Line 2: Goods Consumed This Quarter - Enter the total amount of goods consumed for the entire quarter. Goods consumed are items you originally purchased tax free for direct resale or to be incorporated into a product for resale, but instead were used by you. The amount to report is the original cost paid by you to your supplier for those items.

Example: A hair salon purchases bottles of shampoo to be sold out of a display case. The salon did not pay tax to its supplier since it intends to directly resell the shampoo. A bottle is taken out of that resale inventory for use in performing their service. The bottle that was used is goods consumed and the salon must report the price it paid to its supplier on this line.

You are also allowed to include on this line occasional taxable purchases that you make where sales tax is not collected by your supplier. Normally these purchases would be reported on a consumer's use tax return.

Line 3: Total - The amount on Line 1 plus the amount on Line 2. This will be automatically calculated by the system.

Line 4: Exemptions This Quarter - Enter the total amount of exemptions for the entire quarter. Exemptions are sales made by you on which tax was not required to be charged.

Interstate Commerce: Sales made where delivery occurred outside Iowa.

New Construction: Sales of services performed on or in connection with new construction, reconstruction, alteration, expansion or remodeling of a building or structure. This does not include sales to contractors who are eligible to purchase items tax free because they have a special "exempt entity" exemption certificate for a project with an exempt entity. These exempt sales will be shown in the "Other" category below.

Industrial Machinery, Equipment and Computers: Sales of exempt industrial machinery, equipment and computers. This includes qualifying items used directly and primarily in a manufacturing process or computers used by a commercial enterprise.

Resale: Sales of items that will be resold in their present form by the purchaser.

Processing: Sales of items that will be incorporated into another item for resale by the purchaser.

Residential Utility: Sales of metered gas, electricity, and fuel used as energy in residential dwellings. (You do not need to have exemption certificates to support this exemption.)

Sales Tax Holiday: Sales of qualifying clothing and footwear during the annual sales tax holiday. (You do not need to have exemption certificates to support this exemption.) The annual tax holiday is the first Friday and Saturday in August.

Other: Any exempt sales made during the quarter that do not fall into any of the previous categories.

Line 5: Taxable Amount - The amount on Line 3 minus the amount on Line 4. This will be automatically calculated by the system. This is the amount of taxable sales calculated based on the amounts entered on the prior lines. If this is incorrect, please check the figures you entered above and correct as needed.

Line 6a: State Sales Tax - 6 percent of the taxable amount on Line 5. This will be automatically calculated by the system.

Line 6b: Total Local Option Tax - This will be automatically calculated by the system after you complete the Local Option Tax and Sales Entry schedule. Click on the LOST/ SALES ENTRY button above Line 6b to complete the schedule showing sales by county.

Line 6c: Total from Schedule A - This line is displayed only if you are reporting room rentals, auto rentals, or sales of certain construction equipment. Those filers were presented with Schedule A at the start of this section. The amount shown on this line is the total tax calculated on that Schedule A.

Line 7: Total Tax - The amount on Line 6a plus the amount(s) on Lines 6b and 6c. This will be automatically calculated by the system.

Line 8: Deposits and Overpayment Credits - Enter the amount of any sales tax already deposited for the quarter or the amount of any overpayment on a previous return that you elected to carry forward to this quarter. Do not include any penalty and/or interest paid. If none, enter zero. Click on "View Deposit History" to see a record of deposits you have made for this quarter.

Line 9: Balance - This will be automatically calculated by the system.

Line 10: Penalty - Automatically calculated by the system.

Line 11:

Interest - Automatically calculated by the system.

Line 12:

Total Amount Due - The total of Lines 9, 10, and 11. Automatically calculated by the system. Click on the continue button to move to the next screen.

Local Option Tax and Sales by County Selection



Select all the counties in which you had Local Option and/or Sales by County to report, and click CONTINUE.


<input type="checkbox"/> Adair - 01	<input type="checkbox"/> Floyd - 34	<input type="checkbox"/> Monona - 67
<input checked="" type="checkbox"/> Adams - 02	<input type="checkbox"/> Franklin - 35	<input type="checkbox"/> Monroe - 68
<input type="checkbox"/> Allamakee - 03	<input type="checkbox"/> Fremont - 36	<input type="checkbox"/> Montgomery - 69
<input type="checkbox"/> Appanoose - 04	<input type="checkbox"/> Greene - 37	<input type="checkbox"/> Muscatine - 70
<input type="checkbox"/> Audubon - 05	<input type="checkbox"/> Grundy - 38	<input type="checkbox"/> O'Brien - 71
<input type="checkbox"/> Benton - 06	<input type="checkbox"/> Guthrie - 39	<input type="checkbox"/> Osceola - 72
<input type="checkbox"/> Black Hawk - 07	<input type="checkbox"/> Hamilton - 40	<input type="checkbox"/> Page - 73
<input type="checkbox"/> Boone - 08	<input type="checkbox"/> Hancock - 41	<input type="checkbox"/> Palo Alto - 74
<input type="checkbox"/> Bremer - 09	<input type="checkbox"/> Hardin - 42	<input type="checkbox"/> Plymouth - 75
<input type="checkbox"/> Buchanan - 10	<input type="checkbox"/> Harrison - 43	<input type="checkbox"/> Pocahontas - 76
<input type="checkbox"/> Buena Vista - 11	<input type="checkbox"/> Henry - 44	<input checked="" type="checkbox"/> Polk - 77
<input type="checkbox"/> Butler - 12	<input type="checkbox"/> Howard - 45	<input type="checkbox"/> Pottawattamie - 78
<input type="checkbox"/> Calhoun - 13	<input type="checkbox"/> Humboldt - 46	<input type="checkbox"/> Poweshiek - 79
<input type="checkbox"/> Carroll - 14	<input type="checkbox"/> Ida - 47	<input type="checkbox"/> Ringgold - 80
<input type="checkbox"/> Cass - 15	<input type="checkbox"/> Iowa - 48	<input type="checkbox"/> Sac - 81
<input type="checkbox"/> Cedar - 16	<input type="checkbox"/> Jackson - 49	<input type="checkbox"/> Scott - 82
<input type="checkbox"/> Cerro Gordo - 17	<input type="checkbox"/> Jasper - 50	<input type="checkbox"/> Shelby - 83
<input type="checkbox"/> Cherokee - 18	<input type="checkbox"/> Jefferson - 51	<input type="checkbox"/> Sioux - 84
<input type="checkbox"/> Chickasaw - 19	<input checked="" type="checkbox"/> Johnson - 52	<input type="checkbox"/> Story - 85
<input type="checkbox"/> Clarke - 20	<input type="checkbox"/> Jones - 53	<input type="checkbox"/> Tama - 86
<input type="checkbox"/> Clay - 21	<input type="checkbox"/> Keokuk - 54	<input type="checkbox"/> Taylor - 87
<input type="checkbox"/> Clayton - 22	<input type="checkbox"/> Kossuth - 55	<input type="checkbox"/> Union - 88
<input type="checkbox"/> Clinton - 23	<input type="checkbox"/> Lee - 56	<input type="checkbox"/> Van Buren - 89
<input type="checkbox"/> Crawford - 24	<input type="checkbox"/> Linn - 57	<input type="checkbox"/> Wapello - 90
<input type="checkbox"/> Dallas - 25	<input type="checkbox"/> Louisa - 58	<input type="checkbox"/> Warren - 91
<input type="checkbox"/> Davis - 26	<input type="checkbox"/> Lucas - 59	<input type="checkbox"/> Washington - 92
<input type="checkbox"/> Decatur - 27	<input type="checkbox"/> Lyon - 60	<input type="checkbox"/> Wayne - 93
<input type="checkbox"/> Delaware - 28	<input type="checkbox"/> Madison - 61	<input checked="" type="checkbox"/> Webster - 94
<input type="checkbox"/> Des Moines - 29	<input type="checkbox"/> Mahaska - 62	<input type="checkbox"/> Winnebago - 95
<input type="checkbox"/> Dickinson - 30	<input type="checkbox"/> Marion - 63	<input type="checkbox"/> Winneshiek - 96
<input type="checkbox"/> Dubuque - 31	<input type="checkbox"/> Marshall - 64	<input checked="" type="checkbox"/> Woodbury - 97
<input type="checkbox"/> Emmet - 32	<input type="checkbox"/> Mills - 65	<input type="checkbox"/> Worth - 98
<input type="checkbox"/> Fayette - 33	<input type="checkbox"/> Mitchell - 66	<input type="checkbox"/> Wright - 99

BACK

SELECT ALL

CONTINUE

Local Option Tax and Sales Entry

County Name and Number	Taxable Sales Local Option	Sales by County
Adams – 02	\$ <input type="text" value="10,000"/> .00 X 1% = 100.00	\$ <input type="text" value="11,793"/> .00
Johnson – 52	\$ <input type="text" value=""/>	\$ <input type="text" value="6,000"/> .00
Polk – 77	\$ <input type="text" value="200"/> .00 X 1% = 2.00	\$ <input type="text" value="2,200"/> .00
Webster – 94	\$ <input type="text" value="500"/> .00 X 0.5% = 2.50	\$ <input type="text" value="500"/> .00
Woodbury – 97	\$ <input type="text" value="20,300"/> .00 X 1% = 203.00	\$ <input type="text" value="20,300"/> .00
	 <input type="button" value="CALCULATE"/>	
TOTAL SALES	31,000	40,793
TOTAL LOCAL OPTION TAX	307.50	

The amount *of the sale* is entered, not the amount of local option tax.

Payment Options

ePay is FREE!

Select the payment method you will be using

- ☐ ePay (Direct Debit/Electronic Check)
- ☐ Mail a Check Not available to semi-monthly filers.
- ☐ Credit Card (2.5% fee charged by vendor) or ACH Credit (Contact your bank to initiate)

Schedule A

IMPORTANT: If you had no rentals to report, enter zero on line a and click CONTINUE.

Hotel/Motel	
Period: July 1 – September 30, 2008	Due Date: October 31, 2008
a. Gross Receipts from Rentals <input type="button" value="?"/> (Do not report these sales on line 1 of Sales Tax Return.)	a. \$ <input type="text"/> .00
b. Less Exemptions <input <="" td="" type="button" value="?"/> <td>b. \$ <input type="text"/> .00</td>	b. \$ <input type="text"/> .00
c. Taxable Amount (line a minus line b) <input <="" td="" type="button" value="?"/> <td>c. \$ CALC</td>	c. \$ CALC
d. State Excise Tax Rate <input <="" td="" type="button" value="?"/> <td>d. 5%</td>	d. 5%
e. State Excise Tax Due (line c multiplied by line d) <input <="" td="" type="button" value="?"/> <td>e. \$ CALC</td>	e. \$ CALC
f. Local Hotel/Motel Tax Rate <input <="" td="" type="button" value="?"/> <td>f. %</td>	f. %
g. Local Hotel/Motel Tax Due (line c multiplied by line f) <input <="" td="" type="button" value="?"/> <td>g. \$ CALC</td>	g. \$ CALC
h. Total Tax Due (addition of lines e and g) <input <="" td="" type="button" value="?"/> <td>h. \$ CALC</td>	h. \$ CALC
<input type="button" value="CALCULATE"/>	
<input type="button" value="BACK"/> <input type="button" value="CONTINUE"/>	

IMPORTANT: If you had no rentals to report, enter zero on line a and click CONTINUE.

Auto Rental	
Period: July 1 – September 30, 2008	Due Date: October 31, 2008
a. Gross Receipts from Rentals <input <="" td="" type="button" value="?"/> <td>a. \$ <input type="text"/> .00</td>	a. \$ <input type="text"/> .00
b. Less Exemptions <input <="" td="" type="button" value="?"/> <td>b. \$ <input type="text"/> .00</td>	b. \$ <input type="text"/> .00
c. Taxable Amount <input <="" td="" type="button" value="?"/> <td>c. \$ CALC</td>	c. \$ CALC
d. Tax Rate <input <="" td="" type="button" value="?"/> <td>d. 5%</td>	d. 5%
e. Tax Due <input <="" td="" type="button" value="?"/> <td>e. \$ CALC</td>	e. \$ CALC
<input type="button" value="CALCULATE"/>	
<input type="button" value="BACK"/> <input type="button" value="CONTINUE"/>	

Sales of Certain Construction Equipment

Period: July 1 – September 30, 2008

Due Date: October 31, 2008

a. Gross Receipts from Sales Subject to 5% State Excise <input type="text"/>	a.	\$ <input type="text"/> .00
(Do not report these sales on line 1 of Sales/Use Tax Return.)		
b. Goods Consumed <input type="text"/>	b.	\$ <input type="text"/> .00
c. Total (addition of line a and b) <input type="text"/>	c.	\$ CALC
d. Less Exemptions <input type="text"/>	d.	\$ <input type="text"/> .00
e. Taxable Amount (line c minus line d) <input type="text"/>	e.	\$ CALC
f. Tax Rate <input type="text"/>	f.	5%
g. Tax Due (line e multiplied by line f) <input type="text"/>	g.	\$ CALC
<input type="button" value="CALCULATE"/>		

IOWA 6% SALES TAX CHART -- State Rate Only

0.00 - 0.08 = 0.00	9.75 - 9.91 = 0.59	19.42 - 19.58 = 1.17	29.09 - 29.24 = 1.75	38.75 - 38.91 = 2.33
0.09 - 0.24 = 0.01	9.92 - 10.08 = 0.60	19.59 - 19.74 = 1.18	29.25 - 29.41 = 1.76	38.92 - 39.08 = 2.34
0.25 - 0.41 = 0.02		19.75 - 19.91 = 1.19	29.42 - 29.58 = 1.77	39.09 - 39.24 = 2.35
0.42 - 0.58 = 0.03	10.09 - 10.24 = 0.61	19.92 - 20.08 = 1.20	29.59 - 29.74 = 1.78	39.25 - 39.41 = 2.36
0.59 - 0.74 = 0.04	10.25 - 10.41 = 0.62		29.75 - 29.91 = 1.79	39.42 - 39.58 = 2.37
0.75 - 0.91 = 0.05	10.42 - 10.58 = 0.63	20.09 - 20.24 = 1.21	29.92 - 30.08 = 1.80	39.59 - 39.74 = 2.38
0.92 - 1.08 = 0.06	10.59 - 10.74 = 0.64	20.25 - 20.41 = 1.22		39.75 - 39.91 = 2.39
1.09 - 1.24 = 0.07	10.75 - 10.91 = 0.65	20.42 - 20.58 = 1.23	30.09 - 30.24 = 1.81	39.92 - 40.08 = 2.40
1.25 - 1.41 = 0.08	10.92 - 11.08 = 0.66	20.59 - 20.74 = 1.24	30.25 - 30.41 = 1.82	
1.42 - 1.58 = 0.09	11.09 - 11.24 = 0.67	20.75 - 20.91 = 1.25	30.42 - 30.58 = 1.83	40.09 - 40.24 = 2.41
1.59 - 1.74 = 0.10	11.25 - 11.41 = 0.68	20.92 - 21.08 = 1.26	30.59 - 30.74 = 1.84	40.25 - 40.41 = 2.42
	11.42 - 11.58 = 0.69	21.09 - 21.24 = 1.27	30.75 - 30.91 = 1.85	40.42 - 40.58 = 2.43
	11.59 - 11.74 = 0.70	21.25 - 21.41 = 1.28	30.92 - 31.08 = 1.86	40.59 - 40.74 = 2.44
1.75 - 1.91 = 0.11		21.42 - 21.58 = 1.29	31.09 - 31.24 = 1.87	40.75 - 40.91 = 2.45
1.92 - 2.08 = 0.12	11.75 - 11.91 = 0.71	21.59 - 21.74 = 1.30	31.25 - 31.41 = 1.88	40.92 - 41.08 = 2.46
2.09 - 2.24 = 0.13	11.92 - 12.08 = 0.72		31.42 - 31.58 = 1.89	41.09 - 41.24 = 2.47
2.25 - 2.41 = 0.14	12.09 - 12.24 = 0.73	21.75 - 21.91 = 1.31	31.59 - 31.74 = 1.90	41.25 - 41.41 = 2.48
2.42 - 2.58 = 0.15	12.25 - 12.41 = 0.74	21.92 - 22.08 = 1.32		41.42 - 41.58 = 2.49
2.59 - 2.74 = 0.16	12.42 - 12.58 = 0.75	22.09 - 22.24 = 1.33	31.75 - 31.91 = 1.91	41.59 - 41.74 = 2.50
2.75 - 2.91 = 0.17	12.59 - 12.74 = 0.76	22.25 - 22.41 = 1.34	31.92 - 32.08 = 1.92	
2.92 - 3.08 = 0.18	12.75 - 12.91 = 0.77	22.42 - 22.58 = 1.35	32.09 - 32.24 = 1.93	41.75 - 41.91 = 2.51
3.09 - 3.24 = 0.19	12.92 - 13.08 = 0.78	22.59 - 22.74 = 1.36	32.25 - 32.41 = 1.94	41.92 - 42.08 = 2.52
3.25 - 3.41 = 0.20	13.09 - 13.24 = 0.79	22.75 - 22.91 = 1.37	32.42 - 32.58 = 1.95	42.09 - 42.24 = 2.53
	13.25 - 13.41 = 0.80	22.92 - 23.08 = 1.38	32.59 - 32.74 = 1.96	42.25 - 42.41 = 2.54
3.42 - 3.58 = 0.21		23.09 - 23.24 = 1.39	32.75 - 32.91 = 1.97	42.42 - 42.58 = 2.55
3.59 - 3.74 = 0.22	13.42 - 13.58 = 0.81	23.25 - 23.41 = 1.40	32.92 - 33.08 = 1.98	42.59 - 42.74 = 2.56
3.75 - 3.91 = 0.23	13.59 - 13.74 = 0.82		33.09 - 33.24 = 1.99	42.75 - 42.91 = 2.57
3.92 - 4.08 = 0.24	13.75 - 13.91 = 0.83	23.42 - 23.58 = 1.41	33.25 - 33.41 = 2.00	42.92 - 43.08 = 2.58
4.09 - 4.24 = 0.25	13.92 - 14.08 = 0.84	23.59 - 23.74 = 1.42		43.09 - 43.24 = 2.59
4.25 - 4.41 = 0.26	14.09 - 14.24 = 0.85	23.75 - 23.91 = 1.43	33.42 - 33.58 = 2.01	43.25 - 43.41 = 2.60
4.42 - 4.58 = 0.27	14.25 - 14.41 = 0.86	23.92 - 24.08 = 1.44	33.59 - 33.74 = 2.02	
4.59 - 4.74 = 0.28	14.42 - 14.58 = 0.87	24.09 - 24.24 = 1.45	33.75 - 33.91 = 2.03	43.42 - 43.58 = 2.61
4.75 - 4.91 = 0.29	14.59 - 14.74 = 0.88	24.25 - 24.41 = 1.46	33.92 - 34.08 = 2.04	43.59 - 43.74 = 2.62
4.92 - 5.08 = 0.30	14.75 - 14.91 = 0.89	24.42 - 24.58 = 1.47	34.09 - 34.24 = 2.05	43.75 - 43.91 = 2.63
	14.92 - 15.08 = 0.90	24.59 - 24.74 = 1.48	34.25 - 34.41 = 2.06	43.92 - 44.08 = 2.64
5.09 - 5.24 = 0.31		24.75 - 24.91 = 1.49	34.42 - 34.58 = 2.07	44.09 - 44.24 = 2.65
5.25 - 5.41 = 0.32	15.09 - 15.24 = 0.91	24.92 - 25.08 = 1.50	34.59 - 34.74 = 2.08	44.25 - 44.41 = 2.66
5.42 - 5.58 = 0.33	15.25 - 15.41 = 0.92		34.75 - 34.91 = 2.09	44.42 - 44.58 = 2.67
5.59 - 5.74 = 0.34	15.42 - 15.58 = 0.93	25.09 - 25.24 = 1.51	34.92 - 35.08 = 2.10	44.59 - 44.74 = 2.68
5.75 - 5.91 = 0.35	15.59 - 15.74 = 0.94	25.25 - 25.41 = 1.52		44.75 - 44.91 = 2.69
5.92 - 6.08 = 0.36	15.75 - 15.91 = 0.95	25.42 - 25.58 = 1.53	35.09 - 35.24 = 2.11	44.92 - 45.08 = 2.70
6.09 - 6.24 = 0.37	15.92 - 16.08 = 0.96	25.59 - 25.74 = 1.54	35.25 - 35.41 = 2.12	
6.25 - 6.41 = 0.38	16.09 - 16.24 = 0.97	25.75 - 25.91 = 1.55	35.42 - 35.58 = 2.13	45.09 - 45.24 = 2.71
6.42 - 6.58 = 0.39	16.25 - 16.41 = 0.98	25.92 - 26.08 = 1.56	35.59 - 35.74 = 2.14	45.25 - 45.41 = 2.72
6.59 - 6.74 = 0.40	16.42 - 16.58 = 0.99	26.09 - 26.24 = 1.57	35.75 - 35.91 = 2.15	45.42 - 45.58 = 2.73
	16.59 - 16.74 = 1.00	26.25 - 26.41 = 1.58	35.92 - 36.08 = 2.16	45.59 - 45.74 = 2.74
6.75 - 6.91 = 0.41		26.42 - 26.58 = 1.59	36.09 - 36.24 = 2.17	45.75 - 45.91 = 2.75
6.92 - 7.08 = 0.42	16.75 - 16.91 = 1.01	26.59 - 26.74 = 1.60	36.25 - 36.41 = 2.18	45.92 - 46.08 = 2.76
7.09 - 7.24 = 0.43	16.92 - 17.08 = 1.02		36.42 - 36.58 = 2.19	46.09 - 46.24 = 2.77
7.25 - 7.41 = 0.44	17.09 - 17.24 = 1.03	26.75 - 26.91 = 1.61	36.59 - 36.74 = 2.20	46.25 - 46.41 = 2.78
7.42 - 7.58 = 0.45	17.25 - 17.41 = 1.04	26.92 - 27.08 = 1.62		46.42 - 46.58 = 2.79
7.59 - 7.74 = 0.46	17.42 - 17.58 = 1.05	27.09 - 27.24 = 1.63	36.75 - 36.91 = 2.21	46.59 - 46.74 = 2.80
7.75 - 7.91 = 0.47	17.59 - 17.74 = 1.06	27.25 - 27.41 = 1.64	36.92 - 37.08 = 2.22	
7.92 - 8.08 = 0.48	17.75 - 17.91 = 1.07	27.42 - 27.58 = 1.65	37.09 - 37.24 = 2.23	46.75 - 46.91 = 2.81
8.09 - 8.24 = 0.49	17.92 - 18.08 = 1.08	27.59 - 27.74 = 1.66	37.25 - 37.41 = 2.24	46.92 - 47.08 = 2.82
8.25 - 8.41 = 0.50	18.09 - 18.24 = 1.09	27.75 - 27.91 = 1.67	37.42 - 37.58 = 2.25	47.09 - 47.24 = 2.83
	18.25 - 18.41 = 1.10	27.92 - 28.08 = 1.68	37.59 - 37.74 = 2.26	47.25 - 47.41 = 2.84
8.42 - 8.58 = 0.51		28.09 - 28.24 = 1.69	37.75 - 37.91 = 2.27	47.42 - 47.58 = 2.85
8.59 - 8.74 = 0.52	18.42 - 18.58 = 1.11	28.25 - 28.41 = 1.70	37.92 - 38.08 = 2.28	47.59 - 47.74 = 2.86
8.75 - 8.91 = 0.53	18.59 - 18.74 = 1.12		38.09 - 38.24 = 2.29	47.75 - 47.91 = 2.87
8.92 - 9.08 = 0.54	18.75 - 18.91 = 1.13	28.42 - 28.58 = 1.71	38.25 - 38.41 = 2.30	47.92 - 48.08 = 2.88
9.09 - 9.24 = 0.55	18.92 - 19.08 = 1.14	28.59 - 28.74 = 1.72		48.09 - 48.24 = 2.89
9.25 - 9.41 = 0.56	19.09 - 19.24 = 1.15	28.75 - 28.91 = 1.73	38.42 - 38.58 = 2.31	48.25 - 48.41 = 2.90
9.42 - 9.58 = 0.57	19.25 - 19.41 = 1.16	28.92 - 29.08 = 1.74	38.59 - 38.74 = 2.32	48.42 - 48.58 = 2.91
9.59 - 9.74 = 0.58				

IOWA 6.5% SALES TAX CHART -- State Rate and 1/2% local option

0.00 - 0.07 = 0.00	9.16 - 9.30 = 0.60	18.24 - 18.38 = 1.19	27.31 - 27.46 = 1.78	36.39 - 36.53 = 2.37
0.08 - 0.23 = 0.01		18.39 - 18.53 = 1.20	27.47 - 27.61 = 1.79	36.54 - 36.69 = 2.38
0.24 - 0.38 = 0.02	9.31 - 9.46 = 0.61		27.62 - 27.76 = 1.80	36.70 - 36.84 = 2.39
0.39 - 0.53 = 0.03	9.47 - 9.61 = 0.62	18.54 - 18.69 = 1.21		36.85 - 36.99 = 2.40
0.54 - 0.69 = 0.04	9.62 - 9.76 = 0.63	18.70 - 18.84 = 1.22	27.77 - 27.92 = 1.81	
0.70 - 0.84 = 0.05	9.77 - 9.92 = 0.64	18.85 - 18.99 = 1.23	27.93 - 28.07 = 1.82	37.00 - 37.15 = 2.41
0.85 - 0.99 = 0.06	9.93 - 10.07 = 0.65	19.00 - 19.15 = 1.24	28.08 - 28.23 = 1.83	37.16 - 37.30 = 2.42
1.00 - 1.15 = 0.07	10.08 - 10.23 = 0.66	19.16 - 19.30 = 1.25	28.24 - 28.38 = 1.84	37.31 - 37.46 = 2.43
1.16 - 1.30 = 0.08	10.24 - 10.38 = 0.67	19.31 - 19.46 = 1.26	28.39 - 28.53 = 1.85	37.47 - 37.61 = 2.44
1.31 - 1.46 = 0.09	10.39 - 10.53 = 0.68	19.47 - 19.61 = 1.27	28.54 - 28.69 = 1.86	37.62 - 37.76 = 2.45
1.47 - 1.61 = 0.10	10.54 - 10.69 = 0.69	19.62 - 19.76 = 1.28	28.70 - 28.84 = 1.87	37.77 - 37.92 = 2.46
	10.70 - 10.84 = 0.70	19.77 - 19.92 = 1.29	28.85 - 28.99 = 1.88	37.93 - 38.07 = 2.47
		19.93 - 20.07 = 1.30	29.00 - 29.15 = 1.89	38.08 - 38.23 = 2.48
1.62 - 1.76 = 0.11			29.16 - 29.30 = 1.90	38.24 - 38.38 = 2.49
1.77 - 1.92 = 0.12	10.85 - 10.99 = 0.71			38.39 - 38.53 = 2.50
1.93 - 2.07 = 0.13	11.00 - 11.15 = 0.72	20.08 - 20.23 = 1.31		
2.08 - 2.23 = 0.14	11.16 - 11.30 = 0.73	20.24 - 20.38 = 1.32	29.31 - 29.46 = 1.91	
2.24 - 2.38 = 0.15	11.31 - 11.46 = 0.74	20.39 - 20.53 = 1.33	29.47 - 29.61 = 1.92	38.54 - 38.69 = 2.51
2.39 - 2.53 = 0.16	11.47 - 11.61 = 0.75	20.54 - 20.69 = 1.34	29.62 - 29.76 = 1.93	38.70 - 38.84 = 2.52
2.54 - 2.69 = 0.17	11.62 - 11.76 = 0.76	20.70 - 20.84 = 1.35	29.77 - 29.92 = 1.94	38.85 - 38.99 = 2.53
2.70 - 2.84 = 0.18	11.77 - 11.92 = 0.77	20.85 - 20.99 = 1.36	29.93 - 30.07 = 1.95	39.00 - 39.15 = 2.54
2.85 - 2.99 = 0.19	11.93 - 12.07 = 0.78	21.00 - 21.15 = 1.37	30.08 - 30.23 = 1.96	39.16 - 39.30 = 2.55
3.00 - 3.15 = 0.20	12.08 - 12.23 = 0.79	21.16 - 21.30 = 1.38	30.24 - 30.38 = 1.97	39.31 - 39.46 = 2.56
	12.24 - 12.38 = 0.80	21.31 - 21.46 = 1.39	30.39 - 30.53 = 1.98	39.47 - 39.61 = 2.57
		21.47 - 21.61 = 1.40	30.54 - 30.69 = 1.99	39.62 - 39.76 = 2.58
3.16 - 3.30 = 0.21	12.39 - 12.53 = 0.81		30.70 - 30.84 = 2.00	39.77 - 39.92 = 2.59
3.31 - 3.46 = 0.22	12.54 - 12.69 = 0.82	21.62 - 21.76 = 1.41		39.93 - 40.07 = 2.60
3.47 - 3.61 = 0.23	12.70 - 12.84 = 0.83	21.77 - 21.92 = 1.42	30.85 - 30.99 = 2.01	
3.62 - 3.76 = 0.24	12.85 - 12.99 = 0.84	21.93 - 22.07 = 1.43	31.00 - 31.15 = 2.02	40.08 - 40.23 = 2.61
3.77 - 3.92 = 0.25	13.00 - 13.15 = 0.85	22.08 - 22.23 = 1.44	31.16 - 31.30 = 2.03	40.24 - 40.38 = 2.62
3.93 - 4.07 = 0.26	13.16 - 13.30 = 0.86	22.24 - 22.38 = 1.45	31.31 - 31.46 = 2.04	40.39 - 40.53 = 2.63
4.08 - 4.23 = 0.27	13.31 - 13.46 = 0.87	22.39 - 22.53 = 1.46	31.47 - 31.61 = 2.05	40.54 - 40.69 = 2.64
4.24 - 4.38 = 0.28	13.47 - 13.61 = 0.88	22.54 - 22.69 = 1.47	31.62 - 31.76 = 2.06	40.70 - 40.84 = 2.65
4.39 - 4.53 = 0.29	13.62 - 13.76 = 0.89	22.70 - 22.84 = 1.48	31.77 - 31.92 = 2.07	40.85 - 40.99 = 2.66
4.54 - 4.69 = 0.30	13.77 - 13.92 = 0.90	22.85 - 22.99 = 1.49	31.93 - 32.07 = 2.08	41.00 - 41.15 = 2.67
		23.00 - 23.15 = 1.50	32.08 - 32.23 = 2.09	41.16 - 41.30 = 2.68
4.70 - 4.84 = 0.31	13.93 - 14.07 = 0.91		32.24 - 32.38 = 2.10	41.31 - 41.46 = 2.69
4.85 - 4.99 = 0.32	14.08 - 14.23 = 0.92	23.16 - 23.30 = 1.51		41.47 - 41.61 = 2.70
5.00 - 5.15 = 0.33	14.24 - 14.38 = 0.93	23.31 - 23.46 = 1.52	32.39 - 32.53 = 2.11	
5.16 - 5.30 = 0.34	14.39 - 14.53 = 0.94	23.47 - 23.61 = 1.53	32.54 - 32.69 = 2.12	41.62 - 41.76 = 2.71
5.31 - 5.46 = 0.35	14.54 - 14.69 = 0.95	23.62 - 23.76 = 1.54	32.70 - 32.84 = 2.13	41.77 - 41.92 = 2.72
5.47 - 5.61 = 0.36	14.70 - 14.84 = 0.96	23.77 - 23.92 = 1.55	32.85 - 32.99 = 2.14	41.93 - 42.07 = 2.73
5.62 - 5.76 = 0.37	14.85 - 14.99 = 0.97	23.93 - 24.07 = 1.56	33.00 - 33.15 = 2.15	42.08 - 42.23 = 2.74
5.77 - 5.92 = 0.38	15.00 - 15.15 = 0.98	24.08 - 24.23 = 1.57	33.16 - 33.30 = 2.16	42.24 - 42.38 = 2.75
5.93 - 6.07 = 0.39	15.16 - 15.30 = 0.99	24.24 - 24.38 = 1.58	33.31 - 33.46 = 2.17	42.39 - 42.53 = 2.76
6.08 - 6.23 = 0.40	15.31 - 15.46 = 1.00	24.39 - 24.53 = 1.59	33.47 - 33.61 = 2.18	42.54 - 42.69 = 2.77
		24.54 - 24.69 = 1.60	33.62 - 33.76 = 2.19	42.70 - 42.84 = 2.78
6.24 - 6.38 = 0.41	15.47 - 15.61 = 1.01		33.77 - 33.92 = 2.20	42.85 - 42.99 = 2.79
6.39 - 6.53 = 0.42	15.62 - 15.76 = 1.02	24.70 - 24.84 = 1.61		43.00 - 43.15 = 2.80
6.54 - 6.69 = 0.43	15.77 - 15.92 = 1.03	24.85 - 24.99 = 1.62	33.93 - 34.07 = 2.21	
6.70 - 6.84 = 0.44	15.93 - 16.07 = 1.04	25.00 - 25.15 = 1.63	34.08 - 34.23 = 2.22	43.16 - 43.30 = 2.81
6.85 - 6.99 = 0.45	16.08 - 16.23 = 1.05	25.16 - 25.30 = 1.64	34.24 - 34.38 = 2.23	43.31 - 43.46 = 2.82
7.00 - 7.15 = 0.46	16.24 - 16.38 = 1.06	25.31 - 25.46 = 1.65	34.39 - 34.53 = 2.24	43.47 - 43.61 = 2.83
7.16 - 7.30 = 0.47	16.39 - 16.53 = 1.07	25.47 - 25.61 = 1.66	34.54 - 34.69 = 2.25	43.62 - 43.76 = 2.84
7.31 - 7.46 = 0.48	16.54 - 16.69 = 1.08	25.62 - 25.76 = 1.67	34.70 - 34.84 = 2.26	43.77 - 43.92 = 2.85
7.47 - 7.61 = 0.49	16.70 - 16.84 = 1.09	25.77 - 25.92 = 1.68	34.85 - 34.99 = 2.27	43.93 - 44.07 = 2.86
7.62 - 7.76 = 0.50	16.85 - 16.99 = 1.10	25.93 - 26.07 = 1.69	35.00 - 35.15 = 2.28	44.08 - 44.23 = 2.87
		26.08 - 26.23 = 1.70	35.16 - 35.30 = 2.29	44.24 - 44.38 = 2.88
7.77 - 7.92 = 0.51	17.00 - 17.15 = 1.11		35.31 - 35.46 = 2.30	44.39 - 44.53 = 2.89
7.93 - 8.07 = 0.52	17.16 - 17.30 = 1.12	26.24 - 26.38 = 1.71		44.54 - 44.69 = 2.90
8.08 - 8.23 = 0.53	17.31 - 17.46 = 1.13	26.39 - 26.53 = 1.72	35.47 - 35.61 = 2.31	
8.24 - 8.38 = 0.54	17.47 - 17.61 = 1.14	26.54 - 26.69 = 1.73	35.62 - 35.76 = 2.32	44.70 - 44.84 = 2.91
8.39 - 8.53 = 0.55	17.62 - 17.76 = 1.15	26.70 - 26.84 = 1.74	35.77 - 35.92 = 2.33	44.85 - 44.99 = 2.92
8.54 - 8.69 = 0.56	17.77 - 17.92 = 1.16	26.85 - 26.99 = 1.75	35.93 - 36.07 = 2.34	45.00 - 45.15 = 2.93
8.70 - 8.84 = 0.57	17.93 - 18.07 = 1.17	27.00 - 27.15 = 1.76	36.08 - 36.23 = 2.35	45.16 - 45.30 = 2.94
8.85 - 8.99 = 0.58	18.08 - 18.23 = 1.18	27.16 - 27.30 = 1.77	36.24 - 36.38 = 2.36	45.31 - 45.46 = 2.95
9.00 - 9.15 = 0.59				

IOWA 7% SALES TAX CHART -- State Rate and 1% local option

0.00 - 0.07 = 0.00	9.36 - 9.49 = 0.66	18.65 - 18.78 = 1.31	28.08 - 28.21 = 1.97	37.50 - 37.64 = 2.63
0.08 - 0.21 = 0.01	9.50 - 9.64 = 0.67	18.79 - 18.92 = 1.32	28.22 - 28.35 = 1.98	37.65 - 37.78 = 2.64
0.22 - 0.35 = 0.02	9.65 - 9.78 = 0.68	18.93 - 19.07 = 1.33	28.36 - 28.49 = 1.99	37.79 - 37.92 = 2.65
0.36 - 0.49 = 0.03	9.79 - 9.92 = 0.69	19.08 - 19.21 = 1.34	28.50 - 28.64 = 2.00	37.93 - 38.07 = 2.66
0.50 - 0.64 = 0.04	9.93 - 10.07 = 0.70	19.22 - 19.35 = 1.35		38.08 - 38.21 = 2.67
0.65 - 0.78 = 0.05		19.36 - 19.49 = 1.36	28.65 - 28.78 = 2.01	38.22 - 38.35 = 2.68
0.79 - 0.92 = 0.06	10.08 - 10.21 = 0.71	19.50 - 19.64 = 1.37	28.79 - 28.92 = 2.02	38.36 - 38.49 = 2.69
0.93 - 1.07 = 0.07	10.22 - 10.35 = 0.72	19.65 - 19.78 = 1.38	28.93 - 29.07 = 2.03	38.50 - 38.64 = 2.70
1.08 - 1.21 = 0.08	10.36 - 10.49 = 0.73	19.79 - 19.92 = 1.39	29.08 - 29.21 = 2.04	
1.22 - 1.35 = 0.09	10.50 - 10.64 = 0.74	19.93 - 20.07 = 1.40	29.22 - 29.35 = 2.05	38.65 - 38.78 = 2.71
1.36 - 1.49 = 0.10	10.65 - 10.78 = 0.75		29.36 - 29.49 = 2.06	38.79 - 38.92 = 2.72
	10.79 - 10.92 = 0.76	20.08 - 20.21 = 1.41	29.50 - 29.64 = 2.07	38.93 - 39.07 = 2.73
1.50 - 1.64 = 0.11	10.93 - 11.07 = 0.77	20.22 - 20.35 = 1.42	29.65 - 29.78 = 2.08	39.08 - 39.21 = 2.74
1.65 - 1.78 = 0.12	11.08 - 11.21 = 0.78	20.36 - 20.49 = 1.43	29.79 - 29.92 = 2.09	39.22 - 39.35 = 2.75
1.79 - 1.92 = 0.13	11.22 - 11.35 = 0.79	20.50 - 20.64 = 1.44	29.93 - 30.07 = 2.10	39.36 - 39.49 = 2.76
1.93 - 2.07 = 0.14	11.36 - 11.49 = 0.80	20.65 - 20.78 = 1.45	30.08 - 30.21 = 2.11	39.50 - 39.64 = 2.77
2.08 - 2.21 = 0.15		20.79 - 20.92 = 1.46	30.22 - 30.35 = 2.12	39.65 - 39.78 = 2.78
2.22 - 2.35 = 0.16	11.50 - 11.64 = 0.81	20.93 - 21.07 = 1.47	30.36 - 30.49 = 2.13	39.79 - 39.92 = 2.79
2.36 - 2.49 = 0.17	11.65 - 11.78 = 0.82	21.08 - 21.21 = 1.48	30.50 - 30.64 = 2.14	39.93 - 40.07 = 2.80
2.50 - 2.64 = 0.18	11.79 - 11.92 = 0.83	21.22 - 21.35 = 1.49	30.65 - 30.78 = 2.15	
2.65 - 2.78 = 0.19	11.93 - 12.07 = 0.84	21.36 - 21.49 = 1.50	30.79 - 30.92 = 2.16	40.08 - 40.21 = 2.81
2.79 - 2.92 = 0.20	12.08 - 12.21 = 0.85		30.93 - 31.07 = 2.17	40.22 - 40.35 = 2.82
	12.22 - 12.35 = 0.86	21.50 - 21.64 = 1.51	31.08 - 31.21 = 2.18	40.36 - 40.49 = 2.83
2.93 - 3.07 = 0.21	12.36 - 12.49 = 0.87	21.65 - 21.78 = 1.52	31.22 - 31.35 = 2.19	40.50 - 40.64 = 2.84
3.08 - 3.21 = 0.22	12.50 - 12.64 = 0.88	21.79 - 21.92 = 1.53	31.36 - 31.49 = 2.20	40.65 - 40.78 = 2.85
3.22 - 3.35 = 0.23	12.65 - 12.78 = 0.89	21.93 - 22.07 = 1.54		40.79 - 40.92 = 2.86
3.36 - 3.49 = 0.24	12.79 - 12.92 = 0.90	22.08 - 22.21 = 1.55	31.50 - 31.64 = 2.21	40.93 - 41.07 = 2.87
3.50 - 3.64 = 0.25		22.22 - 22.35 = 1.56	31.65 - 31.78 = 2.22	41.08 - 41.21 = 2.88
3.65 - 3.78 = 0.26	12.93 - 13.07 = 0.91	22.36 - 22.49 = 1.57	31.79 - 31.92 = 2.23	41.22 - 41.35 = 2.89
3.79 - 3.92 = 0.27	13.08 - 13.21 = 0.92	22.50 - 22.64 = 1.58	31.93 - 32.07 = 2.24	41.36 - 41.49 = 2.90
3.93 - 4.07 = 0.28	13.22 - 13.35 = 0.93	22.65 - 22.78 = 1.59	32.08 - 32.21 = 2.25	
4.08 - 4.21 = 0.29	13.36 - 13.49 = 0.94	22.79 - 22.92 = 1.60	32.22 - 32.35 = 2.26	41.50 - 41.64 = 2.91
4.22 - 4.35 = 0.30	13.50 - 13.64 = 0.95		32.36 - 32.49 = 2.27	41.65 - 41.78 = 2.92
	13.65 - 13.78 = 0.96	22.93 - 23.07 = 1.61	32.50 - 32.64 = 2.28	41.79 - 41.92 = 2.93
4.36 - 4.49 = 0.31	13.79 - 13.92 = 0.97	23.08 - 23.21 = 1.62	32.65 - 32.78 = 2.29	41.93 - 42.07 = 2.94
4.50 - 4.64 = 0.32	13.93 - 14.07 = 0.98	23.22 - 23.35 = 1.63	32.79 - 32.92 = 2.30	42.08 - 42.21 = 2.95
4.65 - 4.78 = 0.33	14.08 - 14.21 = 0.99	23.36 - 23.49 = 1.64		42.22 - 42.35 = 2.96
4.79 - 4.92 = 0.34	14.22 - 14.35 = 1.00	23.50 - 23.64 = 1.65	32.93 - 33.07 = 2.31	42.36 - 42.49 = 2.97
4.93 - 5.07 = 0.35		23.65 - 23.78 = 1.66	33.08 - 33.21 = 2.32	42.50 - 42.64 = 2.98
5.08 - 5.21 = 0.36	14.36 - 14.49 = 1.01	23.79 - 23.92 = 1.67	33.22 - 33.35 = 2.33	42.65 - 42.78 = 2.99
5.22 - 5.35 = 0.37	14.50 - 14.64 = 1.02	23.93 - 24.07 = 1.68	33.36 - 33.49 = 2.34	42.79 - 42.92 = 3.00
5.36 - 5.49 = 0.38	14.65 - 14.78 = 1.03	24.08 - 24.21 = 1.69	33.50 - 33.64 = 2.35	
5.50 - 5.64 = 0.39	14.79 - 14.92 = 1.04	24.22 - 24.35 = 1.70	33.65 - 33.78 = 2.36	42.93 - 43.07 = 3.01
5.65 - 5.78 = 0.40	14.93 - 15.07 = 1.05		33.79 - 33.92 = 2.37	43.08 - 43.21 = 3.02
	15.08 - 15.21 = 1.06	24.36 - 24.49 = 1.71	33.93 - 34.07 = 2.38	43.22 - 43.35 = 3.03
5.79 - 5.92 = 0.41	15.22 - 15.35 = 1.07	24.50 - 24.64 = 1.72	34.08 - 34.21 = 2.39	43.36 - 43.49 = 3.04
5.93 - 6.07 = 0.42	15.36 - 15.49 = 1.08	24.65 - 24.78 = 1.73	34.22 - 34.35 = 2.40	43.50 - 43.64 = 3.05
6.08 - 6.21 = 0.43	15.50 - 15.64 = 1.09	24.79 - 24.92 = 1.74		43.65 - 43.78 = 3.06
6.22 - 6.35 = 0.44	15.65 - 15.78 = 1.10	24.93 - 25.07 = 1.75	34.36 - 34.49 = 2.41	43.79 - 43.92 = 3.07
6.36 - 6.49 = 0.45		25.08 - 25.21 = 1.76	34.50 - 34.64 = 2.42	43.93 - 44.07 = 3.08
6.50 - 6.64 = 0.46	15.79 - 15.92 = 1.11	25.22 - 25.35 = 1.77	34.65 - 34.78 = 2.43	44.08 - 44.21 = 3.09
6.65 - 6.78 = 0.47	15.93 - 16.07 = 1.12	25.36 - 25.49 = 1.78	34.79 - 34.92 = 2.44	44.22 - 44.35 = 3.10
6.79 - 6.92 = 0.48	16.08 - 16.21 = 1.13	25.50 - 25.64 = 1.79	34.93 - 35.07 = 2.45	
6.93 - 7.07 = 0.49	16.22 - 16.35 = 1.14	25.65 - 25.78 = 1.80	35.08 - 35.21 = 2.46	44.36 - 44.49 = 3.11
7.08 - 7.21 = 0.50	16.36 - 16.49 = 1.15		35.22 - 35.35 = 2.47	44.50 - 44.64 = 3.12
	16.50 - 16.64 = 1.16	25.79 - 25.92 = 1.81	35.36 - 35.49 = 2.48	44.65 - 44.78 = 3.13
7.22 - 7.35 = 0.51	16.65 - 16.78 = 1.17	25.93 - 26.07 = 1.82	35.50 - 35.64 = 2.49	44.79 - 44.92 = 3.14
7.36 - 7.49 = 0.52	16.79 - 16.92 = 1.18	26.08 - 26.21 = 1.83	35.65 - 35.78 = 2.50	44.93 - 45.07 = 3.15
7.50 - 7.64 = 0.53	16.93 - 17.07 = 1.19	26.22 - 26.35 = 1.84		45.08 - 45.21 = 3.16
7.65 - 7.78 = 0.54	17.08 - 17.21 = 1.20	26.36 - 26.49 = 1.85	35.79 - 35.92 = 2.51	45.22 - 45.35 = 3.17
7.79 - 7.92 = 0.55		26.50 - 26.64 = 1.86	35.93 - 36.07 = 2.52	45.36 - 45.49 = 3.18
7.93 - 8.07 = 0.56	17.22 - 17.35 = 1.21	26.65 - 26.78 = 1.87	36.08 - 36.21 = 2.53	45.50 - 45.64 = 3.19
8.08 - 8.21 = 0.57	17.36 - 17.49 = 1.22	26.79 - 26.92 = 1.88	36.22 - 36.35 = 2.54	45.65 - 45.78 = 3.20
8.22 - 8.35 = 0.58	17.50 - 17.64 = 1.23	26.93 - 27.07 = 1.89	36.36 - 36.49 = 2.55	
8.36 - 8.49 = 0.59	17.65 - 17.78 = 1.24	27.08 - 27.21 = 1.90	36.50 - 36.64 = 2.56	45.79 - 45.92 = 3.21
8.50 - 8.64 = 0.60	17.79 - 17.92 = 1.25		36.65 - 36.78 = 2.57	45.93 - 46.07 = 3.22
	17.93 - 18.07 = 1.26	27.22 - 27.35 = 1.91	36.79 - 36.92 = 2.58	46.08 - 46.21 = 3.23
8.65 - 8.78 = 0.61	18.08 - 18.21 = 1.27	27.36 - 27.49 = 1.92	36.93 - 37.07 = 2.59	46.22 - 46.35 = 3.24
8.79 - 8.92 = 0.62	18.22 - 18.35 = 1.28	27.50 - 27.64 = 1.93	37.08 - 37.21 = 2.60	46.36 - 46.49 = 3.25
8.93 - 9.07 = 0.63	18.36 - 18.49 = 1.29	27.65 - 27.78 = 1.94		46.50 - 46.64 = 3.26
9.08 - 9.21 = 0.64	18.50 - 18.64 = 1.30	27.79 - 27.92 = 1.95	37.22 - 37.35 = 2.61	46.65 - 46.78 = 3.27
9.22 - 9.35 = 0.65		27.93 - 28.07 = 1.96	37.36 - 37.49 = 2.62	46.79 - 46.92 = 3.28